

**ANNUAL BUDGET OF
NALEDI LOCAL
MUNICIPALITY
NW392**



**2020/21 TO 2022/23
MEDIUM TERM REVENUE AND
EXPENDITURE FORECASTS**

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Abbreviations and Acronyms

AMR	Automated Meter Reading	KPI	Key Performance Indicator
ASGISA	Accelerated and Shared Growth Initiative	kWh	kilowatt
BPC	Budget Planning Committee	ℓ	litre
CBD	Central Business District	LED	Local Economic Development
CFO	Chief Financial Officer	MEC	Member of the Executive Committee
CM	Municipality Manager	MFMA	Municipal Financial Management Act Programme
CPI	Consumer Price Index	MIG	Municipal Infrastructure Grant
CRRF	Capital Replacement Reserve Fund	MMC	Member of Mayoral Committee
DBSA	Development Bank of South Africa	MPRA	Municipal Properties Rates Act
DoRA	Division of Revenue Act	MSA	Municipal Systems Act
DWA	Department of Water Affairs	MTEF	Medium-term Expenditure Framework
EE	Employment Equity	MTREF	Medium-term Revenue and Expenditure Framework
EEDSM	Energy Efficiency Demand Side Management	NERSA	National Electricity Regulator South Africa
EM	Executive Mayor	NGO	Non-Governmental organisations
FBS	Free basic services	NKPIs	National Key Performance Indicators
GAMAP	Generally Accepted Municipal Accounting Practice	OHS	Occupational Health and Safety
GDP	Gross domestic product	OP	Operational Plan
GDS	Gauteng Growth and Development Strategy	PBO	Public Benefit Organisations
GFS	Government Financial Statistics	PHC	Provincial Health Care
GRAP	General Recognised Accounting Practice	PMS	Performance Management System
HR	Human Resources	PPE	Property Plant and Equipment
HSRC	Human Science Research Council	PPP	Public Private Partnership
IDP	Integrated Development Strategy	PTIS	Public Transport Infrastructure System
IT	Information Technology	RG	Restructuring Grant
kℓ	kilolitre	RSC	Regional Services Council
km	kilometre	SALGA	South African Local Government Association
KPA	Key Performance Area	SAPS	South African Police Service
		SDBIP	Service Delivery Budget Implementation Plan
		SMME	Small Micro and Medium Enterprises

Part 1 – Annual Budget

1.1 Mayor's Report

Refer to Annexure A

1.2 Council Resolutions

On 26 March 2020 the Council of Naledi Local Municipality met in the Council Chambers to consider the draft annual budget of the municipality for the financial year 2020/21. The Council approved and adopted the following resolutions:

- "1. That the draft Operating and Capital Budget for the MTREF 2020/21 to 2022/23 was tabled by the Mayor to Council in terms of section 16(2) of the Municipal Finance Management Act, 56 of 2003.
2. That the draft Operating and Capital Budget for the MTREF 2020/21 to 2022/23 be made public and the local community will be invited to make representations in connection with the budget in terms of sections 22 and 23 of the Municipal Finance Management Act, 56 of 2003
3. That in terms of section 17(3) of the Municipal Finance Management Act, 56 of 2003, the following draft resolution for the final adoption of the draft Operating and Capital Budget for the MTREF 2020/21 to 2022/23 is hereby noted.
4. That in terms of section 24 of the Municipal Finance Management Act, 56 of 2003, the annual budget of the Naledi Local Municipality for the financial year 2020/21; and indicative allocations for the two projected outer years 2021/22 and 2022/23; and the multi-year and single year capital appropriations are approved as set-out in the following tables:
 - 4.1 Budgeted Financial Performance (revenue and expenditure by standard classification);
 - 4.2 Budgeted Financial Performance (revenue and expenditure by municipal vote);
 - 4.3 Budgeted Financial Performance (revenue by source and expenditure by type); and
 - 4.4 Multi-year and single year capital appropriations by municipal vote and standard classification and associated funding by source.

5. That the financial position, cash flow, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are adopted as set-out in the following tables:
 - 5.1 Budgeted Financial Position;
 - 5.2 Budgeted Cash Flows;
 - 5.3 Cash backed reserves and accumulated surplus reconciliation;
 - 5.4 Asset management; and
 - 5.5 Basic service delivery measurement.
6. That in terms of section 24(2)(c)(i) and (ii) of the Municipal Finance Management Act, 56 of 2003 and sections 74 and 75A of the Local Government: Municipal Systems Act, Act 32 of 2000 as amended, the tariffs for the supply of water, electricity, waste services, sanitation services and property rates as set out in Budget Chapter 21 and annexures C respectively that were used to prepare the estimates of revenue by source, are approved with effect from 01 July 2020.
7. That in terms of section 5 of the Municipal Property Rates Act, 6 of 2004, the rates policy (or the amendments to the rates policy) is approved.
8. That in terms of section 24(2)(c)(iii) of the Municipal Finance Management Act, 56 of 2003, the measurable performance objectives for capital and operating expenditure by vote for each year of the medium term revenue and expenditure framework as set out in Supporting Table SA7 are approved.
9. That in terms of section 24(2)(c)(v) of the Municipal Finance Management Act, 56 of 2003, the budget-related policies, including any amendments as set out in Budget Chapter 4 are approved for the budget year 2020/21.
10. That both the Operating budget and Capital budget together with the Tariff Policy and Schedule of Rates and Tariffs hereto tabled by the Executive Mayor be referred for community participation in the budget process in terms of section 23 of MFMA."

1.3 Executive Summary

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

The Municipality's business and service delivery priorities were reviewed as part of this year's planning and budget process. A critical review was also undertaken of expenditures on noncore and 'nice to have' items.

The Municipality has embarked on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers. Furthermore, the Municipality has undertaken various

customer care initiatives to ensure the municipality truly involves all citizens in the process of ensuring a people lead government.

National Treasury's MFMA Circular No. 98 and 99 were used to guide the compilation of the 2020/21 MTREF.

The main challenges experienced during the compilation of the 2020/21 MTREF can be summarised as follows:

- The on-going difficulties in the national and local economy;
- Aging and poorly maintained water, roads and electricity infrastructure;
- The need to reprioritise projects and expenditure within the existing resource envelope given the cash flow realities and declining cash position of the municipality;
- The increased cost of bulk water and electricity (due to tariff increases from Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
- Affordability of capital projects – original allocations had to be reduced and the operational expenditure associated with prior year's capital investments needed to be factored into the budget as part of the 2020/21 MTREF process; and
- Availability of affordable capital/borrowing.
- Current Eskom repayment agreement is unrealistic and unaffordable given our current cash flow problems. In 2020/21 and 2021/22 the payment is for current account monthly plus R39, 500 million of the outstanding debt per year.
- Function of Library and Fire & Disaster services are running at R3.1 million and R11.9 million respectively
- Dr Ruth Segomotsi Mompati District Municipality has not confirmed if they have any provision for grants for our municipality for 2020/21 financial year for Free Basic Services and fire services
- Electricity billing and prepaid electricity revenue is decreasing.
- Municipality is not collecting on its billed revenue and inconsistent billed revenue.
- Municipality is not collecting on its billed revenue and inconsistent billed revenue.

The following budget principles and guidelines directly informed the compilation of the 2019/20 MTREF:

- The 2020/21 Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2019/20 annual budget;
- Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
- Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality, for instance the cost of bulk water and electricity. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs;
- There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the proposed 2020/21 Medium-term Revenue and Expenditure Framework:

Table 1 Consolidated Overview of the 2020/21 MTREF

Functional Classification Description R thousand	Ref 1	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Total Revenue - Functional	2	452 621	429 747	429 747	401 407	426 592	447 823
Total Expenditure - Functional	3	417 386	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit) for the year		35 235	10 205	10 205	(58 311)	(30 946)	(31 171)
Total Capital Expenditure - Functional	3	49 699	51 694	51 694	23 562	31 108	32 882

Total operating revenue has decreased by 7.1 per cent or R28, 3 million for the 2020/21 financial year when compared to the 2019/20 Budget. For the two outer years, operational revenue will increase by 5.9 and increased by 4.7 per cent respectively over the MTREF when compared to the 2019/20 financial year.

Total operating expenditure for the 2020/21 financial year has been appropriated at R401, 4 million and translates into a budgeted deficit of R58, 3 million. The surplus of R58, 3 million includes non-cash items for depreciation of R24, 4 million and debt impairment of R15, 2 million. When compared to the 2019/20 Budget, operational expenditure has increased by 8.7 per cent in the 2020/21 budget and decreased by 0.47 and increased by 4.5 per cent for each of the respective outer years of the MTREF. The operating deficit for the two outer years decreases to R58,3 million and decreased to R30, 9 million which includes non-cash items for depreciation and debt impairment of R40,3 and R41,9 million.

The capital budget of R23.6 million for 2020/21 is 45.6 per cent less when compared to the 2019/20 Budget of R51, 7 million. The capital programme increases to R31.1 million in the 2021/22 financial year and increases in 2022/23 to R32, 9 million. A substantial portion of the capital budget will be funded from conditional grants over MTREF. Conditional grants will contribute 100 per cent in 2020/21 and 100 per cent of capital expenditure in each two of the MTREF years.

1.4 Operating Revenue Framework

For Naledi Local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 90 per cent annual collection rate for property rates and other key service charges;
- Electricity Municipality tariff increases as approved by the National Electricity Municipality Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to trading services;

- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality.

The following table is a summary of the 2020/21 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

Revenue generated from rates and services charges forms a significant percentage of the revenue basket for the Municipality. Rates and service charge revenues comprise more than two thirds of the total revenue mix. In the 2019/20 financial year, revenue from services charges totalled R217,3 million. This increases to R223,4 million, R233, 9 million and R244, 9 million in the respective financial years of the MTREF. This growth can be mainly attributed to the increased share that the sale of electricity contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity.

Property rates is the second largest revenue source totalling 14.7 per cent or R68, 2 million rand and decreases to R55, 5 million by 2020/21. The third largest sources is interest on outstanding debtors with R24,2 million and the fourth largest sources is 'other revenue' which consists of various items such as income received from permits and licenses, building plan fees, connection fees, transport fees and advertisement fees.

Operating grants and transfers from National and Provincial government totals R62, 1 million in the 2020/21 financial year and steadily increases to R60, 829 million by 2020/21. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

NW392 Naledi (Nw) - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:										
Local Government Equitable Share		44 710	47 431	50 682	56 358	56 358	56 358	60 424	63 181	67 266
Finance Management		41 201	43 507	47 260	52 554	52 554	52 554	56 283	60 481	64 266
EPWP Incentive		1 625	1 700	1 770	2 235	2 235	2 235	2 600	2 700	3 000
1 884		1 884	2 224	1 652	1 569	1 569	1 569	1 541		
Other transfers/grants [insert description]										
Provincial Government:		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Sport and Recreation		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Other transfers/grants [insert description]										
District Municipality:		4 500	-	-	-	-	-	-	-	-
District Municipality:		4 500								
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	50 690	48 911	51 768	57 518	57 518	57 518	61 584	64 341	68 426
Capital Transfers and Grants										
National Government:		51 788	38 205	35 043	43 939	43 939	43 939	24 407	32 008	34 489
Municipal Infrastructure Grant (MIG)		33 788	17 205	29 218	16 979	16 979	16 979	16 893	18 008	18 823
INEP, IDC & EEDSMG		18 000	21 000	5 825	26 960	26 960	26 960	7 514	14 000	15 666
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
District Municipality:										
Other grant providers:		-	-	-	3 964	3 964	3 964	-	-	-
[insert description]					3 964	3 964	3 964			
Total Capital Transfers and Grants	5	51 788	38 205	35 043	47 903	47 903	47 903	24 407	32 008	34 489
TOTAL RECEIPTS OF TRANSFERS & GRANTS		102 478	87 116	86 811	105 421	105 421	105 421	85 991	96 349	102 915

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the Municipality.

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 4.5 per cent upper boundary of the South African Reserve Bank's inflation target. The municipality increased the property rates tariff by 4.5 % and increased other tariffs charges with 6.24% except for electricity which was increased by 8.1 % as per NERSA guidelines. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom tariffs are below the mentioned inflation target. Given that the tariff increases are determined by external agencies, the impact they have on the municipality's electricity and the tariff is largely outside the control of the Municipality.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions. Within this framework the Municipality has undertaken the tariff setting process relating to service charges as follows.

1.4.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2020/21 financial year based on a 4.5 % for all properties due to implementation of new valuation roll with high value of properties from 1 July 2020 is contained below:

Table 4 Comparison of proposed rates to levied for the 2019/20 financial year

PROPERTY TAXES	01 July 2019	01 July 2020
Residential %	0.00764	0.00798
Businesses %	0.01526	0.01595
Industrial %	0.01526	0.01595
Agricultural %	0.0019	0.00199
Agricultural : Businesses %	0.00382	0.00399
Government %	0.03046	0.03183

1.4.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective by 2014.

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

A tariff increase of 4.5 per cent from 1 July 2020 for water is proposed. In addition 6 kℓ water per 30-day period will again be granted free of charge to the registered indigents.

A summary of the proposed tariffs for households (residential) and non-residential are as follows:

Table 5 Proposed Water Tariffs

WATER	01 July 2019	01 July 2020
Households		
Monthly basic charge fee	-	115
Consumption per kiloliter per monthly reading/estimate (0 kl - 6 kl)	8	9
Consumption per kiloliter per monthly reading/estimate (7 kl - 15 kl)	11	11
Consumption per kiloliter per monthly reading/estimate (16 kl - 30 kl)	12	13
Consumption per kiloliter per monthly reading/estimate (31 kl - 50 kl)	14	15
Consumption per kiloliter per monthly reading/estimate (51 kl and more)	15	16
Businesses and other consumers		
Monthly availability/basic charge fee: Businesses	236	248
Monthly availability/basic charge fee: Sporting grounds	78	82
Monthly availability/basic charge fee: Agricultural Society	78	82
Monthly availability/basic charge fee: Bulk consumers above 500 kl	770	810
Consumption per kiloliter per monthly reading/estimate: Businesses, sporting grounds and Ag	10	11
Monthly availability/basic charge fee: Motor Club	40	42
Consumption per kiloliter per monthly reading/estimate: Motor Club	12	13
Consumption per kiloliter per monthly reading/estimate: Businesses Taung & Pudimoe (No ba	13	13
Special Water Provision		
Sedibeng -Consumption per kiloliter per monthly reading/estimate	10	11
Old Age Home - Basic charge fee	79	83
Early Learning Centre - Basic charge fee	30	31
Government - Basic charge fee	79	83
Schools - Basic charge fee	79	83
Fire Hydrant - Basic charge fee	79	83
Enterprise - Consumption per kiloliter per monthly reading/estimate	8	9
Unlisted - Consumption per kiloliter per monthly reading/estimate	11	12
Bophutatswana - Consumption per kiloliter per monthly reading/estimate	13	14
Bernauw Small Holdings within municipal area		
Consumption per kiloliter per monthly reading/estimate (0 kl - 250 kl)	13	13
Consumption per kiloliter per monthly reading/estimate (251 kl - 300 kl)	30	32
Consumption per kiloliter per monthly reading/estimate (301 kl - 350 kl)	41	43
Consumption per kiloliter per monthly reading/estimate (351 kl - 400 kl)	52	54
Consumption per kiloliter per monthly reading/estimate (401 kl and more)	102	107

The following table shows the impact of the proposed increases in water tariffs on the water charges for a single dwelling-house:

The tariff structure of the 2020/21 financial year has not been changed. The tariff structure is designed to charge higher levels of consumption a higher rate, steadily increasing to a rate of R15.70 per kilolitre for consumption in excess of 51kℓ per 30 day period.

1.4.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 8.1 per cent increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2020.

Considering the Eskom increases, the consumer tariff had to be increased by 6.24 per cent to offset the additional bulk purchase cost from 1 July 2020.

Registered indigents will again be granted 50 kWh per 30-day period free of charge

It should further be noted that NERSA has advised that a stepped tariff structure needs to be implemented from 1 July 2020. The effect thereof will be that the higher the consumption, the higher the cost per kWh. The aim is to subsidise the lower consumption users (mostly the poor).

1.4.4 Sanitation and Impact of Tariff Increases

A tariff increase of 4.5 per cent for sanitation from 1 July 2020 is proposed. This is based on the input cost assumptions related to water. The following factors also contribute to the proposed tariff increase:

- Sanitation charges are calculated according to the percentage water discharged as indicated in the table below;
- Free sanitation will be applicable to registered indigents; and
- The total revenue expected to be generated from rendering this service amounts to R25, 582 million for the 2020/21 financial year.

The following table compares the current and proposed tariffs:

Sewerage fees per month	01 July 2019	01 July 2020
Households for the first 4 flush units	224	236
Households for every flush unit above 4 to maximum of an additional 5 flush units	187	197
Sport clubs for the first 4 flush units	224	236
Sport clubs for every flush unit above the first 4 flush units	187	197
Church halls	518	545
Early Learning Centres/Creche per flush unit	77	81
Schools per flush unit	103	108
Other premises: Per flush unit or 600mm urinal to a maximum of 50 flush units	224	236
Industrial Effluent		
Abattoir as per fixed formula	Fixed formula	Fixed formula
Sewerage blockages		
For the first hour or part thereof	314	330
For every hour thereafter and part thereof	187	197

Table 6 Comparison between current sanitation charges and increases

The following table shows the impact of the proposed increases in sanitation tariffs on the sanitation charges for a single dwelling-house:

1.4.5 Waste Removal and Impact of Tariff Increases

A 4.5 per cent increase in the waste removal tariff is proposed from 1 July 2020. Any increase higher than 4.5 per cent would be counter-productive and will result in affordability challenges for individual rates payers raising the risk associated with bad debt.

The following table compares current and proposed amounts payable from 1 July 2020:

Table 7 Comparison between current waste removal fees and increases

REFUSE REMOVAL SERVICES	01 July 2019	01 July 2020
Refuse removal fees per month (one removal per week unless otherwise indicated)		
Household	212	223
Churches/Halls	212	223
Halls	212	223
Sporting clubs	212	223
Theatres	212	223
Squatters with community toilets and water (all inclusive tariff)	226	238
Guest houses / Lodges (per room to a maximum of 10 rooms)	80	84
Hotels (3 times per week)	1 599	1 682
Old age homes and care centres	861	906
Cafés, green grocers and restaurants (3 times per week)	1 146	1 206
Hostels	1 599	1 682
Hospitals	1 599	1 682
Schools	592	623
Shops, hardware stores and other businesses	667	702
Chain stores and super markets (3 times per week)	1 374	1 445
Banks, libraries, large offices and department offices	717	754
Garages, work shops and spare part centres	892	938
Factories	418	440
Taxi rank (3 times per week)	2 256	2 373
Offices	435	458
Franchise restaurants (3 times per week)	1 540	1 620
Tuck shops and taverns	344	362
Exhaust centres	900	947
Businesses on residential sites will be determined per type of business	To be determined	To be determined
Shoprite, Spar and Pick & Pay (7 times per week)	5 007	5 267
Special removal from businesses per load	543	571
Stella businesses	251	264
Centres will be based on number and type of businesses in centre	To be determined	To be determined
Business standing empty	277	291
Mass containers (1 m ³)(Capital Cost R 1,100)	468	492
Mass containers (8 m ³)(Capital Cost R 12,000)	917	965
Mass containers (18 m ³)(Capital Cost R 32,000)	1 382	1 454
Refuse removal per 240 liter refuse bin (2 removals per week)	293	308
Refuse removal per 240 liter refuse bin (3 removals per week)	385	405
Refuse removal per 240 liter refuse bin (7 removals per week)	485	510
Refundable deposit: All new business applications - relocations included	626	659
Penalty for the removal of municipal refuse bins (240 liter refuse bins) from any premises	1 083	1 139
Garden refuse		
Garden refuse per load or part thereof	293	308
Removal with front end loader (tractor and trailer included) per load or part thereof	451	474
Other		
Condemnation of food stuffs (Per 1,000 liter or part therefor)	435	458
Removal with front end loader (tractor and trailer included) per load or part thereof	451	474

1.4.6 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Table 8 MBRR Table SA14 – Household bills

NW392 Naledi (Nw) - Supporting Table SA14 Household bills											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21 % incr.	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates		285.38	303.65	321.86	321.86	321.86	321.86	4.5%	336.35	351.82	368.00
Electricity: Basic levy		219.45	237.69	253.97	287.16	287.16	287.16	6.2%	287.16	300.37	314.19
Electricity: Consumption		1 089.29	1 179.81	1 260.62	1 425.39	1 425.39	1 425.39	6.2%	1 514.33	1 583.99	1 656.86
Water: Basic levy		266.48	283.54	300.55	316.18	316.18	316.18	4.5%	330.41	345.61	361.50
Water: Consumption		193.38	205.76	218.10	229.44	229.44	229.44	4.5%	239.77	250.80	262.33
Sanitation		185.71	197.60	209.45	220.35	220.35	220.35	4.5%	230.26	240.85	251.93
Refuse removal											
Other											
sub-total		2 239.70	2 408.03	2 564.57	2 800.38	2 800.38	2 800.38	4.9%	2 938.28	3 073.44	3 214.81
VAT on Services											
Total large household bill:		2 239.70	2 408.03	2 564.57	2 800.38	2 800.38	2 800.38	4.9%	2 938.28	3 073.44	3 214.81
% increase/-decrease			7.5%	6.5%	9.2%	–	–	4.9%	4.9%	4.6%	4.6%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates		86.78	92.34	97.88	102.97	102.97	102.97	4.5%	107.60	112.55	117.73
Electricity: Basic levy		250.17	270.96	289.52	327.36	327.36	327.36	6.2%	347.79	363.79	380.52
Electricity: Consumption		498.73	540.18	577.18	652.62	652.62	652.62	6.2%	693.34	725.24	758.60
Water: Basic levy		82.01	87.26	92.50	97.31	97.31	97.31	4.5%	101.69	106.36	111.26
Water: Consumption		197.95	210.62	223.26	234.87	234.87	234.87	4.5%	245.44	256.73	268.54
Sanitation		186.68	198.63	210.54	221.49	221.49	221.49	4.5%	231.46	242.11	253.24
Refuse removal											
Other											
sub-total		1 302.33	1 399.99	1 490.88	1 636.62	1 636.62	1 636.62	5.5%	1 727.32	1 806.77	1 889.88
VAT on Services											
Total small household bill:		1 302.33	1 399.99	1 490.88	1 636.62	1 636.62	1 636.62	5.5%	1 727.32	1 806.77	1 889.88
% increase/-decrease			7.5%	6.5%	9.8%	–	–	5.5%	5.5%	4.6%	4.6%
<u>Monthly Account for Household - 'Indigent'</u>	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		86.78	92.34	97.88	102.97	102.97	102.97	4.5%	107.60	112.55	117.73
Electricity: Basic levy		250.17	270.96	289.52	327.36	327.36	327.36	6.2%	347.79	363.79	380.52
Electricity: Consumption		498.73	540.18	577.18	652.62	652.62	652.62	6.2%	693.34	725.23	758.59
Water: Basic levy		82.01	87.26	92.50	97.31	97.31	97.31	4.5%	101.69	106.36	111.26
Water: Consumption		197.95	210.62	223.26	234.87	234.87	234.87	4.5%	245.44	256.73	268.54
Sanitation		186.68	198.63	210.54	221.49	221.49	221.49	4.5%	231.46	242.11	253.24
Refuse removal											
Other											
sub-total		1 302.33	1 399.99	1 490.88	1 636.61	1 636.61	1 636.61	5.5%	1 727.31	1 806.77	1 889.88
VAT on Services											
Total small household bill:		1 302.33	1 399.99	1 490.88	1 636.61	1 636.61	1 636.61	5.5%	1 727.31	1 806.77	1 889.88
% increase/-decrease			7.5%	6.5%	9.8%	–	–	5.5%	5.5%	4.6%	4.6%

1.5 Operating Expenditure Framework

The Municipality's expenditure framework for the 2020/21 budget and MTREF is informed by the following:

- The asset renewal strategy and the repairs and maintenance plan;
- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of *no project plan no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2020/21 budget and MTREF (classified per main type of operating expenditure):

Table 9Summary of operating expenditure by standard classification item

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)			Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework				
Description	Ref	2016/17	2017/18	2018/19	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome							
Expenditure By Type											
Employee related costs	2	162 319	150 531	153 696	173 557	182 255	182 255	182 255	199 874	208 936	218 547
Remuneration of councillors		6 980	8 727	9 420	8 612	8 675	8 675	8 675	8 101	8 474	8 863
Debt impairment	3	33 596	16 725	72 379	18 278	18 278	18 278	18 278	15 226	15 929	17 504
Depreciation & asset impairment	2	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Finance charges		39 597	29 179	9 223	16 091	11 091	11 091	11 091	14 484	14 875	15 894
Bulk purchases	2	76 305	75 590	106 687	118 800	118 800	118 800	118 800	128 672	135 296	142 225
Other materials	8	2 510	2 056	304	1 627	1 037	1 037	1 037	1 524	1 326	1 369
Contracted services		25 876	25 366	44 648	27 297	29 766	29 766	29 766	36 943	16 439	17 142
Transfers and subsidies		144	20	—	50	50	50	50	80	84	88
Other expenditure	4, 5	26 277	17 862	38 835	28 705	25 220	25 220	25 220	30 444	31 811	32 993
Losses		2 973	—	—							
Total Expenditure		412 470	361 596	469 852	417 386	419 542	419 542	419 542	459 718	457 538	478 994

The budgeted allocation for employee related costs for the 2020/21 financial year totals R199,9 million, which equals 43.5 per cent of the total operating expenditure. Provision has been made for 6.25 % increase in the salaries and wages of employees in terms of SALGA circular 01/2019 of 20 March 2019. An annual increase of 4.6 and 4.6 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment for the 2019/20 financial year this amount equates to R18,3 million and decrease to R15,2 million by 2020/21. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R24,4 million for the 2020/21 financial and equates to 5,3 per cent of the total operating expenditure. Note that the implementation of GRAP 17 accounting standard has meant bringing a range of assets previously not included in the assets

register onto the register. This has resulted in a significant increase in depreciation relative to previous years.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 3.15 per cent (R14,5 million) of operating expenditure excluding annual redemption for 2020/21.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Vaalharts Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other materials comprise of amongst others the purchase of fuel, diesel, materials for maintenance, cleaning materials and chemicals. In line with the Municipality's repairs and maintenance plan this group of expenditure has been prioritised to ensure sustainability of the Municipality's infrastructure. For 2019/20 the appropriation against this group of expenditure has increased by R487 hundred from R1,5 in 2020/21 to R1,3 million in the 2021/22 financial year.

Contracted services have been identified as a cost saving area for the Municipality. As part of the compilation of the 2020/21 MTREF this group of expenditure was critically evaluated and operational efficiencies were enforced. In the 2020/21 financial year, this group of expenditure totals R36,9 million.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Further details relating to contracted services can be seen in MBRR SA1.

The following table gives a breakdown of the main expenditure categories for the 2019/20 financial year.

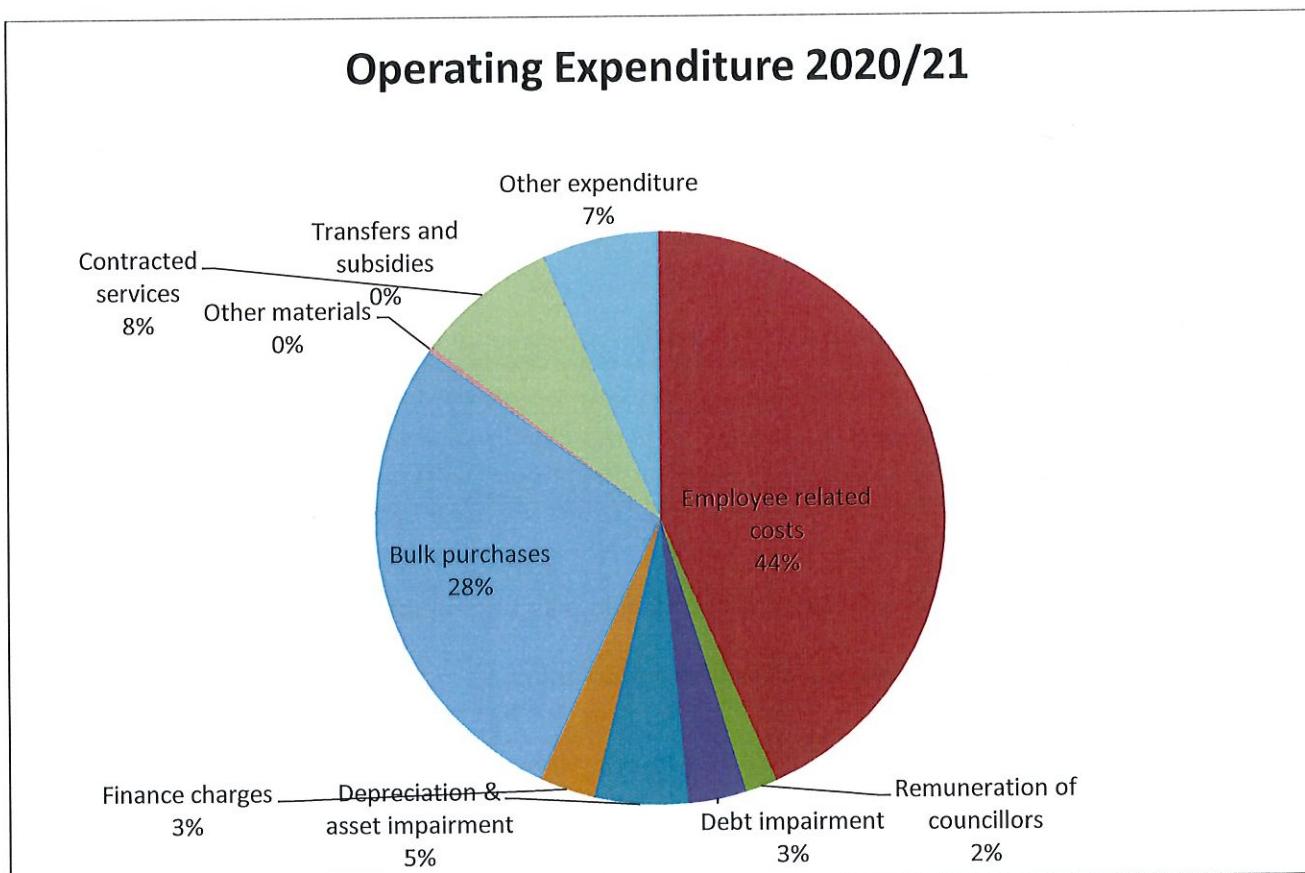


Figure 1 Main operational expenditure categories for the 2020/21 financial year

1.5.1 Priority given to repairs and maintenance

Aligned to the priority being given to preserving and maintaining the Municipality's current infrastructure, the 2020/21 budget and MTREF provide for extensive growth in the area of asset maintenance, as informed by the asset renewal strategy and repairs and maintenance plan of the Municipality. In terms of the Municipal Budget and Reporting Regulations, operational repairs and maintenance is not considered a direct expenditure driver but an outcome of certain other expenditures, such as remuneration, purchases of materials and contracted services. Considering these cost drivers, the following table is a consolidation of all the expenditures associated with repairs and maintenance:

Table 10 Operational repairs and maintenance

NW392 Naledi (Nw) - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'										Medium Term Revenue & Expenditure Framework		
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome				
R thousand												
Repairs and Maintenance by Expenditure Item	8											
Employee related costs												
Other materials		2 510	2 056	781	8 133	5 983	5 983	5 983	11 133	10 597	11 061	
Contracted Services												
Other Expenditure												
Total Repairs and Maintenance	9	2 510	2 056	781	8 133	5 983	5 983	5 983	11 133	10 597	11 061	

During the compilation of the 2019/20 MTREF operational repairs and maintenance was identified as a strategic imperative owing to the aging of the Municipality's infrastructure and historic deferred maintenance. To this end, repairs and maintenance was increased by in the 2020/21 financial year, from R5, 9 million to R11,1 million. In relation to the total operating expenditure, repairs and maintenance comprises of 1.9 per cent for the respective financial years of the MTREF. The under budgeting of repairs and maintenance is as results of high employees related cost which take 43,5% of the total operation budget.

The table below provides a breakdown of the repairs and maintenance in relation to asset class:

Table 11 Repairs and maintenance per asset class

Description R thousand	Ref t	Current Year 2019/20					2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year #1 2021/22	Budget Year #2 2022/23
		Repairs and maintenance expenditure by Asset Class/Sub-class							
Infrastructure	-	1 142	268	6 710	4 285	4 285	8 090	8 462	8 851
Roads Infrastructure	-	1 142	-	2 266	1 202	1 202	2 750	2 877	3 009
Roads	-	1 142		2 266	1 202	1 202	2 750	2 877	3 009
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure	-	-	-	1 714	758	758	1 850	1 935	2 024
Drainage Collection				1 714	758	758	1 850	1 935	2 024
Storm water Conveyance									
Attenuation									
Electrical Infrastructure	-	-	164	2 000	2 000	2 000	2 400	2 510	2 626
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks			164	2 000	2 000	2 000	2 400	2 510	2 626
Capital Spares									
Water Supply Infrastructure	-	-	96	400	100	100	540	565	591
Dams and Weirs									
Boreholes			22	67	17	17	90	94	98
Reservoirs			58	233	58	58	315	329	345
Pump Stations			-	-	-	-	-	-	-
Water Treatment Works			-	-	-	-	-	-	-
Bulk Mains			-	-	-	-	-	-	-
Distribution			16	100	25	25	135	141	148
Distribution Points			-	-	-	-	-	-	-
PRV Stations			-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-
Sanitation Infrastructure	-	-	8	250	125	125	450	471	492
Pump Station			8	58	29	29	105	110	115
Reticulation			-	58	29	29	105	110	115
Waste Water Treatment Works			-	58	29	29	105	110	115
Outfall Sewers			-	58	29	29	100	105	109
Toilet Facilities			-	19	10	10	35	37	38
Capital Spares			-	-	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	60	60	60	100	105	109
Landfill Sites			-	21	21	21	35	37	38
Waste Transfer Stations			-	12	12	12	20	21	22
Waste Processing Facilities			-	27	27	27	45	47	49
Waste Drop-off Points			-	-	-	-	-	-	-
Waste Separation Facilities			-	-	-	-	-	-	-
Electricity Generation Facilities			-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-	-	-	-	-
Rail Lines			-	-	-	-	-	-	-
Rail Structures			-	-	-	-	-	-	-
Rail Furniture			-	-	-	-	-	-	-
Drainage Collection			-	-	-	-	-	-	-
Storm water Conveyance			-	-	-	-	-	-	-
Attenuation			-	-	-	-	-	-	-
MV Substations			-	-	-	-	-	-	-
LV Networks			-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-	-	-	-	-
Sand Pumps			-	-	-	-	-	-	-
Piers			-	-	-	-	-	-	-
Revetments			-	-	-	-	-	-	-
Promenades			-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-
Data Centres			-	-	-	-	-	-	-
Core Layers			-	-	-	-	-	-	-
Distribution Layers			-	-	-	-	-	-	-
Capital Spares			-	-	-	-	-	-	-
Community Assets	-	4	37	80	10	10	20	20	20
Community Facilities	-	4	-	5	-	-	-	-	-
Halls		4							
Centres									
Crèches									
Clinic/Care Centres									
Fire/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres				5					
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Abattoir Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities	-	-	37	75	10	10	20	20	20
Indoor Facilities			17	38	5	5	10	10	10
Outdoor Facilities			20	38	5	5	10	10	10
Capital Spares			-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating									
Improved Property									
Unimproved Property									
Non-revenue Generating									
Improved Property									
Unimproved Property									
Other assets	-	-	23	85	348	348	888	212	216
Capital	-	-	22	85	348	348	888	212	216

NW392 Naledi (Nw) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description R thousand	Ref 1	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	17 580	15 091	17 075
Roads Infrastructure		-	-	-	-	-	-	10 741	13 204	15 138
Roads								10 741	13 204	15 138
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	4 037	1 039	1 041
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	4 037	1 039	1 041
Dams and Weirs								377	398	421
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution								377	398	421
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	2 065	69	73
Pump Station								2 065	69	73
Refculation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	360	381	402
Landfill Sites								360	381	402
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm wafer Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		-	-	-	-	-	-	93	99	105

For the 2019/20 financial year, R11, 1 million of total repairs and maintenance will be spent on infrastructure assets.

1.5.2 Free Basic Services: Basic Social Services Package

The social package assists households that are poor or face other circumstances that limit their ability to pay for services. To receive these free services the households are required to register in terms of the Municipality's Indigent Policy. The target is to register 6 500 or more indigent households during the 2020/21 financial year, a process reviewed annually. Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in A10 (Basic Service Delivery Measurement).

The cost of the social package of the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

1.6 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 12 2020/21 Medium-term capital budget per vote

Vote Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		43	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		6 892	—	777	—	2 500	2 500	2 500	—	—	—
Vote 4 - FINANCIAL SERVICES		27	—	—	—	50	50	50	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		1 393	—	—	—	—	—	—	—	9 108	4 930
Vote 7 - TECHNICAL SERVICES		4 592	21 073	15 105	41 708	35 525	35 525	35 525	15 562	14 000	21 952
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 4 - FINANCIAL SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 7 - TECHNICAL SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Vote	18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882	
Capital Expenditure - Functional											
Governance and administration		6 962	—	777	1 214	2 550	2 550	2 550	—	—	—
Executive and council		43			—	—	—	—	—	—	—
Finance and administration		27		777	1 214	2 550	2 550	2 550	—	—	—
Internal audit		6 892			—	—	—	—	—	—	—
Community and public safety		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000
Community and social services		5 294	7 401	9 170	6 776	8 165	8 165	8 165	8 000	8 000	—
Sport and recreation				2 968	—	5 454	5 454	5 454	—	—	6 000
Public safety		16			—	—	—	—	—	—	—
Housing					—	—	—	—	—	—	—
Health					—	—	—	—	—	—	—
Economic and environmental services		17	7 129	14 521	14 748	6 665	6 665	6 665	8 048	—	6 952
Planning and development					3 964	3 964	3 964	3 964	—	—	—
Road transport		17	7 129	14 521	10 784	2 701	2 701	2 701	8 048	—	6 952
Environmental protection					—	—	—	—	—	—	—
Trading services		5 968	13 944	584	26 960	28 860	28 860	28 860	7 514	23 108	19 930
Energy sources		3 685	13 944	584	26 960	28 860	28 860	28 860	7 514	14 000	15 000
Water management					—	—	—	—	—	—	—
Waste water management		891			—	—	—	—	—	—	—
Waste management		1 393			—	—	—	—	—	9 108	4 930
Other					—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Funded by:											
National Government		8 979	28 474	28 000	43 100	43 230	43 230	43 230	23 562	31 108	32 882
Provincial Government		4 283			—	—	—	—	—	—	—
District Municipality					—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)					3 964	3 964	3 964	3 964	—	—	—
Transfers recognised - capital	4	13 262	28 474	28 000	47 064	47 194	47 194	47 194	23 562	31 108	32 882
Borrowing	6	4 995		21	—	—	—	—			
Internally generated funds					2 635	4 500	4 500	4 500			
Total Capital Funding	7	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882

For 2019/20 an amount of R15,6 million has been appropriated for the development of infrastructure which represents 66.1 per cent of the total capital budget. In the outer years this amount totals R23.1 million, 74.3 per cent and R26,8 million, 81,7 per cent respectively for each of the financial years. Electricity infrastructure receives allocation of R7,5 million in 2020/21 which equates to 31.8 per cent followed by roads 34.2 per cent, R8 million.

Total new assets represent 65.8 per cent or R15,5 million of the total capital budget while asset renewal equates to 34.1 per cent or R8 million. Further detail relating to asset classes and proposed capital expenditure is contained in MBRR A9 (Asset Management). In addition to the MBRR Table A9, MBRR Tables SA34a, b, c provides a detailed breakdown of the capital programme relating to new asset construction, capital asset renewal as well as operational repairs and maintenance by asset class.

The projects to be undertaken over the medium-term include:

PROJECT NAME	FUND	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Electrification of Vryburg Extension 17 (Colridge)	INEP	6 494 000		
Electrification of Vryburg Extension 25 (Military Veterans)	INEP	1 020 000		
Vryburg Extension 29 Bulk Line	INEP		4 700 000	
Stella Substation	INEP			5 000 000
Electrification of Vryburg Extension 28 Phase 3	INEP		4 600 000	
Electrification of Vryburg Extension 30 (Khoisan Heritage Vil	INEP			5 000 000
Electrification of Vryburg Extension 29 Phase 2	INEP			5 000 000
Electrification of Vryburg Extension 29 Phase 1	INEP		4 700 000	
Construction of a Community Hall at Broedersput	MIG	8 000 000		
Huhudi Taxi Route Upgrade Phase 1	MIG	8 048 350		6 951 650
Extension 25 - Community Hall	MIG		8 000 000	
Stella Landfill Site	MIG		9 107 600	4 930 200
Vryburg Ext 28 Sport Facility	MIG			6 000 000
TOTAL		23 562 350	31 107 600	32 881 850

The following graph provides a breakdown of the capital budget for 2020/21 per funding.

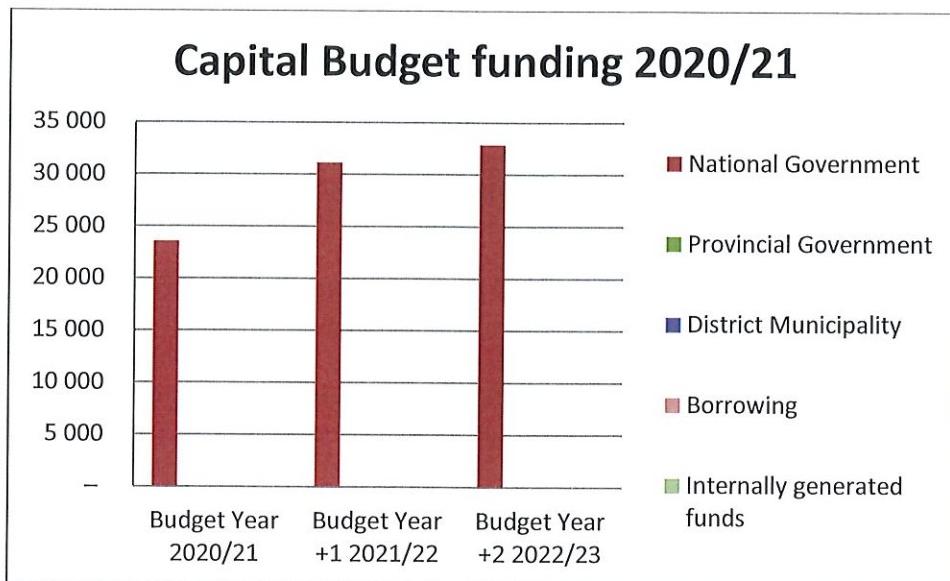


Figure 2 Capital Budget per funding

1.7 Annual Budget Tables - Parent Municipality

The following eighteen pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2019/20 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page.

Table 13 MBRR Table A1 - Budget Summary

NW392 Naledi (Nw) - Table A1 Budget Summary

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	76 826	46 058	52 531	68 192	68 192	68 192	68 192	55 458	58 009	60 677
Service charges	148 583	145 603	207 428	236 953	217 261	217 261	217 261	223 378	233 881	244 891
Investment revenue	529	329	375	293	293	293	293	347	363	380
Transfers recognised - operational	46 878	45 280	49 038	58 018	58 018	58 018	58 018	62 084	64 868	68 981
Other own revenue	70 773	31 455	46 495	41 262	38 081	38 081	38 081	35 733	37 462	39 070
Total Revenue (excluding capital transfers and contributions)	343 588	268 724	355 867	404 718	381 844	381 844	381 844	377 000	394 584	414 000
Employee costs	162 319	150 531	153 696	173 557	182 255	182 255	182 255	199 874	208 936	218 547
Remuneration of councillors	6 980	8 727	9 420	8 612	8 675	8 675	8 675	8 101	8 474	8 863
Depreciation & asset impairment	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Finance charges	39 597	29 179	9 223	16 091	11 091	11 091	11 091	14 484	14 875	15 894
Materials and bulk purchases	78 815	77 646	106 991	120 427	119 837	119 837	119 837	130 196	136 622	143 594
Transfers and grants	144	20	-	50	50	50	50	80	84	88
Other expenditure	88 722	59 952	155 862	74 279	73 264	73 264	73 264	82 613	64 178	67 639
Total Expenditure	412 470	361 596	469 852	417 386	419 542	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit)	(68 882)	(92 872)	(113 985)	(12 668)	(37 698)	(37 698)	(37 698)	(82 718)	(62 954)	(64 994)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	58 872	37 809	16 937	43 939	43 939	43 939	43 939	24 407	32 008	33 823
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	-	-	-	3 964	3 964	3 964	3 964	-	-	-
Surplus/(Deficit) after capital transfers & contributions	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Capital expenditure & funds sources										
Capital expenditure	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Transfers recognised - capital	13 262	28 474	28 000	47 064	47 194	47 194	47 194	23 562	31 108	32 882
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	4 995	-	21	2 635	4 500	4 500	4 500	-	-	-
Total sources of capital funds	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Financial position										
Total current assets	83 185	129 291	135 790	85 651	87 347	87 347	87 347	62 838	65 729	68 752
Total non current assets	1 223 392	1 237 552	1 224 943	838 821	840 816	840 816	840 816	1 251 459	1 258 197	1 266 709
Total current liabilities	491 393	552 739	644 994	519 421	680 534	680 534	680 534	833 438	867 739	903 784
Total non current liabilities	80 150	78 244	76 928	61 442	61 442	61 442	61 442	80 009	83 689	87 539
Community wealth/Equity	735 035	735 860	638 812	327 609	186 188	186 188	186 188	400 851	372 497	344 138
Cash flows										
Net cash from (used) operating	53 331	110 449	34 529	(43 174)	34 074	34 074	34 074	12 364	(4 943)	(22 703)
Net cash from (used) investing	(48 632)	(93 037)	(21 075)	(43 285)	(49 244)	(49 244)	(49 244)	(23 562)	(31 108)	(32 882)
Net cash from (used) financing	(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
Cash/cash equivalents at the year end	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)
Cash backing/surplus reconciliation										
Cash and investments available	18 628	41 637	54 762	-	1 696	1 696	1 696	1 772	1 854	1 939
Application of cash and investments	426 034	448 985	567 442	439 645	608 320	608 320	608 320	776 880	812 620	850 015
Balance - surplus (shortfall)	(407 405)	(407 348)	(512 679)	(439 645)	(606 624)	(606 624)	(606 624)	(775 108)	(810 766)	(848 075)
Asset management										
Asset register summary (WDV)	1 223 392	1 209 924	1 226 478	838 821	840 816	840 816	840 816	1 251 459	1 258 197	1 266 709
Depreciation	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Renewal and Upgrading of Existing Assets	-	7 480	472	9 354	1 205	1 205	1 205	8 048	-	6 952
Repairs and Maintenance	2 510	2 056	781	8 133	5 983	5 983	5 983	11 133	10 597	11 061
Free services										
Cost of Free Basic Services provided	-	-	-	16 352	16 352	16 352	16 352	9 975	11 010	11 410
Revenue cost of free services provided	-	-	-	3 997	3 997	3 997	3 997	4 051	4 237	4 432
Households below minimum service level										
Water:	-	-	-	-	-	-	-	-	-	-
Sanitation/sewerage:	-	-	-	-	-	-	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	1	1	1	1	1	1	1	1	1	1

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the Municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
 - a. The operating surplus/deficit (after Total Expenditure) is positive over the 2019/20
 - b. Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognised is reflected on the Financial Performance Budget;
 - ii. Borrowing is incorporated in the net cash from financing on the Cash Flow Budget
 - iii. Internally generated funds are financed from a combination of the current operating surplus and accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing on the Cash Flow Budget. The fact that the municipality's cash flow remains positive, and is improving indicates that the necessary cash resources are available to fund the Capital Budget.
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed.
5. Even though the Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase.

Table 14MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

NW392 Naledi (Nw) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue - Functional										
Governance and administration		162 954	100 215	118 634	135 732	135 732	119 704	126 807	133 821	
Executive and council		—	2 289	977	2 450	2 450	—	—	—	
Finance and administration		162 954	97 925	117 657	133 282	133 282	119 704	126 807	133 821	
Internal audit		—	—	—	—	—	—	—	—	
Community and public safety		12 054	5 624	3 081	5 986	5 486	5 486	4 126	4 261	4 403
Community and social services		3 600	4 790	3 081	5 918	5 418	5 418	4 064	4 197	4 336
Sport and recreation		217	—	—	68	68	68	62	64	67
Public safety		8 237	834	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		36 581	18 973	24 260	53 429	50 748	50 748	32 681	40 747	42 851
Planning and development		1 803	343	621	44 719	44 719	44 719	24 852	32 474	34 310
Road transport		34 778	18 630	23 639	8 681	6 000	6 000	7 613	8 048	8 305
Environmental protection		—	—	—	28	28	28	216	226	236
Trading services		170 452	181 721	226 828	257 474	237 782	237 782	244 896	254 777	266 748
Energy sources		120 164	135 145	131 372	169 982	150 290	150 290	153 334	160 381	167 755
Water management		15 259	6 423	39 292	27 429	27 429	27 429	32 371	34 095	35 918
Waste water management		17 236	19 649	28 452	29 942	29 942	29 942	30 017	31 398	32 842
Waste management		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233
Other	4	—	—	—	—	—	—	—	—	—
Total Revenue - Functional	2	382 041	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823
Expenditure - Functional										
Governance and administration		147 454	128 957	259 514	141 982	137 660	137 660	153 686	145 451	151 998
Executive and council		33 432	26 020	191 881	34 868	41 498	41 498	35 833	27 107	28 170
Finance and administration		114 022	102 937	67 634	107 114	96 162	96 162	117 853	118 345	123 828
Internal audit		—	—	—	—	—	—	—	—	—
Community and public safety		58 244	22 940	(1 933)	30 862	31 033	31 033	38 152	39 016	40 600
Community and social services		14 934	7 076	3 620	9 576	10 161	10 161	12 301	12 652	13 138
Sport and recreation		12 630	6 055	—	9 991	9 495	9 495	12 917	12 844	13 328
Public safety		30 680	9 809	(5 553)	11 201	11 347	11 347	12 899	13 486	14 099
Housing		—	—	—	95	30	30	35	35	35
Health		—	—	—	—	—	—	—	—	—
Economic and environmental services		62 780	33 915	13 174	55 610	59 982	59 982	61 949	63 470	65 948
Planning and development		3 776	3 386	1 126	6 018	6 039	6 039	5 415	5 536	5 789
Road transport		59 004	27 473	12 049	44 922	48 419	48 419	50 870	52 219	54 226
Environmental protection		—	3 057	—	4 669	5 523	5 523	5 664	5 715	5 932
Trading services		143 988	175 784	199 096	188 932	190 867	190 867	205 931	209 600	220 449
Energy sources		83 386	120 139	133 553	141 909	139 539	139 539	151 244	151 411	158 850
Water management		20 637	(11 507)	27 349	20 329	22 395	22 395	18 492	21 397	23 295
Waste water management		16 986	11 849	14 366	8 681	8 968	8 968	11 395	11 907	12 362
Waste management		22 979	55 303	23 829	18 013	19 965	19 965	24 800	24 885	25 942
Other	4	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional	3	412 466	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit) for the year		(30 425)	(55 064)	(97 049)	35 235	10 205	10 205	(58 311)	(30 946)	(31 171)

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

1. Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.
2. Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Table 15MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

NW392 Naledi (Nw) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	2 289	977	2 450	2 450	2 450	–	–	–
Vote 2 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		5 473	1 909	–	510	510	510	503	530	559
Vote 4 - FINANCIAL SERVICES		157 480	96 016	117 657	132 772	132 772	132 772	119 201	126 276	133 262
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		32 474	5 624	3 081	14 695	11 514	11 514	11 955	12 534	12 944
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233
Vote 7 - TECHNICAL SERVICES		189 240	180 190	223 377	272 073	252 380	252 380	240 575	258 347	270 825
Vote 8 - ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	402 460	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		33 432	26 020	191 881	15 338	15 246	15 246	14 789	15 405	16 054
Vote 2 - MUNICIPAL MANAGER		–	3 057	–	19 715	26 527	26 527	21 259	11 917	12 330
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		33 218	40 564	33 935	36 783	35 748	35 748	48 614	49 583	51 673
Vote 4 - FINANCIAL SERVICES		80 804	62 373	33 698	48 980	43 152	43 152	52 022	51 274	53 875
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		58 248	22 940	(1 933)	56 263	57 662	57 662	66 744	68 701	71 589
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		22 979	55 303	23 829	29 650	29 901	29 901	30 705	30 741	32 066
Vote 7 - TECHNICAL SERVICES		183 790	151 339	188 442	208 121	207 668	207 668	222 794	227 126	238 486
Vote 8 - ECONOMIC DEVELOPMENT		–	–	–	2 536	3 638	3 638	2 791	2 791	2 919
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	412 470	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit) for the year	2	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	(58 311)	(30 946)	(31 171)

Explanatory notes to MBRR Table A3 - Budgeted Financial Performance (revenue and expenditure by municipal vote)

- Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the budgeted operating performance in relation to the organisational structure of the Municipality. This means it is possible to present the operating surplus or deficit of a vote. The following table is an analysis of the surplus or deficit for the electricity and water trading services.

Table 16 Surplus/(Deficit) calculations for the trading services

Functional Classification Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Budget Year			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	2020/21	+1 2021/22	+2 2022/23	
<i>Trading services</i>											
Energy sources											
Total Revenue - Functional		120 164	135 145	131 372	169 982	150 290	150 290	153 334	160 381	167 755	
Total Expenditure - Functional		83 386	120 139	133 553	141 909	139 539	139 539	151 244	151 411	158 850	
		36 778	15 006	(2 180)	28 074	10 751	10 751	2 090	8 970	8 905	
Water management											
Total Revenue - Functional		15 259	6 423	39 292	27 429	27 429	27 429	32 371	34 095	35 918	
Total Expenditure - Functional		20 637	(11 507)	27 349	20 329	22 395	22 395	18 492	21 397	23 295	
		(5 378)	17 930	11 943	7 100	5 034	5 034	13 880	12 698	12 623	
Waste water management											
Total Revenue - Functional		17 236	19 649	28 452	29 942	29 942	29 942	30 017	31 398	32 842	
Total Expenditure - Functional		16 986	11 849	14 366	8 681	8 968	8 968	11 395	11 907	12 362	
		250	7 800	14 086	21 261	20 975	20 975	18 623	19 490	20 481	
Waste management											
Total Revenue - Functional		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233	
Total Expenditure - Functional		22 979	55 303	23 829	18 013	19 965	19 965	24 800	24 885	25 942	
		(5 186)	(34 799)	3 883	12 108	10 155	10 155	4 373	4 019	4 291	

- The electricity trading surplus is improving in the 2020/21 MTREF to R2,1 million. This is primarily as a result of the high increases in Eskom bulk purchases and the tariff setting policy of the municipality to buffer the impact of these increases on individual consumers.
- The water trading will have a surplus in the 2020/21 MTREF OF R13,9 million, and continue to improve in 2021/22 and 2022/23.
- Note that the surpluses on these trading accounts are utilised as an internal funding source for the capital programme for asset renewal, refurbishment and the development of new asset infrastructure, *and are not used to cross-subsidise other municipal services*.

Table 17 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	76 826	46 058	52 531	68 192	68 192	68 192	68 192	55 458	58 009	60 677
Service charges - electricity revenue	2	100 361	110 404	126 043	164 343	144 651	144 651	144 651	147 963	154 762	161 878
Service charges - water revenue	2	15 119	3 334	33 996	21 693	21 693	21 693	21 693	26 512	27 966	29 507
Service charges - sanitation revenue	2	17 194	16 841	24 715	26 194	26 194	26 194	26 194	25 582	26 758	27 989
Service charges - refuse revenue	2	15 909	15 023	22 674	24 723	24 723	24 723	24 723	23 321	24 394	25 516
Rental of facilities and equipment		1 004	2 372	2 703	1 933	1 933	1 933	1 933	1 879	1 965	2 055
Interest earned - external investments		529	329	375	293	293	293	293	347	363	380
Interest earned - outstanding debtors		20 595	20 654	22 097	23 796	23 796	23 796	23 796	24 236	25 351	26 517
Dividends received					—	—	—	—	—	—	—
Fines, penalties and forfeits		1 812	770	1 664	2 400	1 800	1 800	1 800	1 400	1 500	1 600
Licences and permits		6 390	5 732	5 016	6 281	4 200	4 200	4 200	6 213	6 548	6 705
Agency services					—	—	—	—	—	—	—
Transfers and subsidies		46 878	45 280	49 038	58 018	58 018	58 018	58 018	62 084	64 868	68 981
Other revenue	2	40 972	1 418	14 037	4 402	3 902	3 902	3 902	2 005	2 099	2 194
Gains		—	508	977	2 450	2 450	2 450	2 450	—	—	—
Total Revenue (excluding capital transfers and contributions)		343 588	268 724	355 867	404 718	381 844	381 844	381 844	377 000	394 584	414 000
Expenditure By Type											
Employee related costs	2	162 319	150 531	153 696	173 557	182 255	182 255	182 255	199 874	208 936	218 547
Remuneration of councillors		6 980	8 727	9 420	8 612	8 675	8 675	8 675	8 101	8 474	8 863
Debt impairment	3	33 596	16 725	72 379	18 278	18 278	18 278	18 278	15 226	15 929	17 504
Depreciation & asset impairment	2	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Finance charges		39 597	29 179	9 223	16 091	11 091	11 091	11 091	14 484	14 875	15 894
Bulk purchases	2	76 305	75 590	106 687	118 800	118 800	118 800	118 800	128 672	135 296	142 225
Other materials	8	2 510	2 056	304	1 627	1 037	1 037	1 037	1 524	1 326	1 369
Contracted services		25 876	25 366	44 648	27 297	29 766	29 766	29 766	36 943	16 439	17 142
Transfers and subsidies		144	20	—	50	50	50	50	80	84	88
Other expenditure	4, 5	26 277	17 862	38 835	28 705	25 220	25 220	25 220	30 444	31 811	32 993
Losses		2 973	—	—							
Total Expenditure		412 470	361 596	469 852	417 386	419 542	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit)		(68 882)	(92 872)	(113 985)	(12 668)	(37 698)	(37 698)	(37 698)	(82 718)	(62 954)	(64 994)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		58 872	37 809	16 937	43 939	43 939	43 939	43 939	24 407	32 008	33 823
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	—			3 964	3 964	3 964	3 964			
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Taxation											
Surplus/(Deficit) after taxation		(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R419,5 million in 2019/20 and increase to R377 million by 2020/21.
2. Revenue to be generated from property rates is R68,2 million in the 2019/20 financial year and decreases to R55.5million by 2020/21 which represents 14.97 per cent of the operating revenue base of the Municipality and therefore remains a significant funding source for the municipality. It remains relatively constant over the medium-term and tariff increases have been factored in at 4.5 per cent, 4.6 per cent and 4.6 per cent for each of the respective financial years of the MTREF. Municipality will be implemented the new valuation roll effective 01 July 2019.

3. Services charges relating to electricity, water, sanitation and refuse removal constitutes the biggest component of the revenue basket of the Municipality totalling R217.3 million for the 2019/20 financial year and increasing to R223.4 million by 2020/21. For the 2019/20 financial year services charges amount to 59.3 per cent of the total revenue base
4. Transfers recognised – operating includes the local government equitable share and other operating grants from national and provincial government.
5. Bulk purchases have significantly increased over the 2019/20 to 2020/21 period escalating from R118.8 million to R128.7 million. These increases can be attributed to the substantial increase in the cost of bulk electricity from Eskom. Bulk water will be paid by Dr Ruth Sekgomotsi Mompati Municipality.
6. Employee related costs and bulk purchases are the main cost drivers within the municipality and alternative operational gains and efficiencies will have to be identified to lessen the impact of wage and bulk tariff increases in future years.

Table 18 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description R thousand	Ref 1	2016/17		2017/18		2018/19		Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23		
Capital expenditure - Vote													
Multi-year expenditure to be appropriated	2												
Vote 1 - EXECUTIVE AND COUNCIL		43	—	—	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		6 892	—	777	—	2 500	2 500	2 500	—	—	—	—	—
Vote 4 - FINANCIAL SERVICES		27	—	—	—	50	50	50	—	—	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000	6 000	
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		1 393	—	—	—	—	—	—	—	9 108	4 930		
Vote 7 - TECHNICAL SERVICES		4 592	21 073	15 105	41 708	35 525	35 525	35 525	15 562	14 000	21 952		
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882		
Single-year expenditure to be appropriated	2												
Vote 1 - EXECUTIVE AND COUNCIL		—	—	—	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		—	—	—	—	—	—	—	—	—	—	—	—
Vote 4 - FINANCIAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—	—	—
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—	—	—
Vote 7 - TECHNICAL SERVICES		—	—	—	—	—	—	—	—	—	—	—	—
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		—	—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Vote		18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882		
Capital Expenditure - Functional													
Governance and administration		6 962	—	777	1 214	2 550	2 550	2 550	—	—	—	—	—
Executive and council		43	—	—	—	—	—	—	—	—	—	—	—
Finance and administration		27	—	777	1 214	2 550	2 550	2 550	—	—	—	—	—
Internal audit		6 892	—	—	—	—	—	—	—	—	—	—	—
Community and public safety		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000	6 000	
Community and social services		5 294	7 401	9 170	6 776	8 165	8 165	8 165	8 000	8 000	8 000	8 000	—
Sport and recreation		—	—	2 968	—	5 454	5 454	5 454	—	—	—	—	6 000
Public safety		16	—	—	—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—	—	—
Economic and environmental services		17	7 129	14 521	14 748	6 665	6 665	6 665	8 048	—	6 952		
Planning and development		—	—	—	3 964	3 964	3 964	3 964	—	—	—	—	—
Road transport		17	7 129	14 521	10 784	2 701	2 701	2 701	8 048	—	6 952		
Environmental protection		—	—	—	—	—	—	—	—	—	—	—	—
Trading services		5 968	13 944	584	26 960	28 860	28 860	28 860	7 514	23 108	19 930		
Energy sources		3 685	13 944	584	26 960	28 860	28 860	28 860	7 514	14 000	15 000		
Water management		—	—	—	—	—	—	—	—	—	—	—	—
Waste water management		891	—	—	—	—	—	—	—	—	—	—	—
Waste management		1 393	—	—	—	—	—	—	—	9 108	4 930		
Other		—	—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882		
Funded by:													
National Government		8 979	28 474	28 000	43 100	43 230	43 230	43 230	23 562	31 108	32 882		
Provincial Government		4 283	—	—	—	—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial		—	—	—	3 964	3 964	3 964	3 964	—	—	—	—	—
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		—	—	—	—	—	—	—	—	—	—	—	—
Transfers recognised - capital	4	13 262	28 474	28 000	47 064	47 194	47 194	47 194	23 562	31 108	32 882		
Borrowing	6	4 995	—	21	—	—	—	—	—	—	—	—	—
Internally generated funds		—	—	—	2 635	4 500	4 500	4 500	—	—	—	—	—
Total Capital Funding	7	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882		

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. The capital budget appropriations, for 2020/21 amounts to R23,6 million.
3. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles and specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the Municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
4. The capital programme is funded from national grants. For 2020/21, capital transfers totals R23,6 million (100 per cent).

Table 19 MBRR Table A6 - Budgeted Financial Position

NW392 Naledi (Nw) - Table A6 Budgeted Financial Position

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
ASSETS											
Current assets											
Cash		8 971	41 637	54 762		1 696	1 696	1 696	1 772	1 854	1 939
Call investment deposits	1	9 657									
Consumer debtors	1	18 593	57 923	69 063	45 011	45 011	45 011	45 011	47 037	49 200	51 463
Other debtors		43 064	28 011	9 871	37 086	37 086	37 086	37 086	10 315	10 790	11 286
Current portion of long-term receivables									–	–	–
Inventory	2	2 900	1 721	2 093	3 554	3 554	3 554	3 554	3 714	3 885	4 063
Total current assets		83 185	129 291	135 790	85 651	87 347	87 347	87 347	62 838	65 729	68 752
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	1 222 683	1 234 915	1 222 306	838 112	840 107	840 107	840 107	1 248 822	1 255 560	1 264 072
Biological			1 535	1 535					1 535	1 535	1 535
Intangible											
Other non-current assets		709	1 103	1 103	709	709	709	709	1 103	1 103	1 103
Total non current assets		1 223 392	1 237 552	1 224 943	838 821	840 816	840 816	840 816	1 251 459	1 258 197	1 266 709
TOTAL ASSETS		1 306 577	1 366 843	1 360 733	924 473	928 164	928 164	928 164	1 314 298	1 323 926	1 335 461
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	12 059	5 108	17 251	8 459	13 094	13 094	13 094	9 494	5 894	2 294
Consumer deposits		6 491	7 922	8 213	6 439	6 439	6 439	6 439	8 582	8 977	9 390
Trade and other payables	4	464 464	512 489	575 886	493 876	650 354	650 354	650 354	769 754	805 163	842 200
Provisions		8 379	27 220	43 644	10 647	10 647	10 647	10 647	45 608	47 706	49 900
Total current liabilities		491 393	552 739	644 994	519 421	680 534	680 534	680 534	833 438	867 739	903 784
Non current liabilities											
Borrowing		12 914	8 459	4 859	5 821	5 821	5 821	5 821	5 077	5 311	5 555
Provisions		67 236	69 786	72 069	55 621	55 621	55 621	55 621	74 932	78 379	81 984
Total non current liabilities		80 150	78 244	76 928	61 442	61 442	61 442	61 442	80 009	83 689	87 539
TOTAL LIABILITIES		571 543	630 983	721 921	580 662	741 975	741 975	741 975	913 447	951 429	991 323
NET ASSETS	5	735 035	735 860	638 812	343 610	186 188	186 188	186 188	400 851	372 497	344 138
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		732 564	733 390	636 342	325 042	183 620	183 620	183 620	398 167	369 690	341 202
Reserves	4	2 470	2 470	2 470	2 568	2 568	2 568	2 568	2 683	2 807	2 936
TOTAL COMMUNITY WEALTH/EQUITY	5	735 035	735 860	638 812	327 609	186 188	186 188	186 188	400 851	372 497	344 138

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 23 is supported by an extensive table of notes (SA3) providing a detailed analysis of the major components of a number of items, including:
 - Call investments deposits;
 - Consumer debtors;
 - Property, plant and equipment;
 - Trade and other payables;
 - Provisions non-current;

- Changes in net assets; and
 - Reserves
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
 5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 20MBRR Table A7 - Budgeted Cash Flow Statement

NW392 Naledi (Nw) - Table A7 Budgeted Cash Flows			2020/21 Medium Term Revenue & Expenditure Framework								
Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		37 079	50 128	51 496	56 060	51 144	51 144	51 144	52 685	55 109	57 644
Service charges		92 677	110 743	155 534	200 739	143 058	143 058	143 058	146 886	153 753	160 948
Other revenue		95 104	74 144	(5 447)	15 016	11 835	11 835	11 835	11 497	12 111	12 553
Transfers and Subsidies - Operational	1	54 875	45 280	49 038	58 018	43 757	43 757	43 757	62 084	64 868	68 981
Transfers and Subsidies - Capital	1	58 872	37 809	33 007	43 939	47 064	47 064	47 064	24 407	32 008	33 823
Interest		21 124		375	293	293	293	293	347	363	380
Dividends									-	-	-
Payments											
Suppliers and employees		(266 679)	(207 654)	(240 250)	(401 098)	(260 027)	(260 027)	(260 027)	(271 059)	(308 281)	(341 139)
Finance charges		(39 578)		(9 223)	(16 091)	(3 000)	(3 000)	(3 000)	(14 484)	(14 875)	(15 894)
Transfers and Grants	1	(144)			(50)	(50)	(50)	(50)	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		53 331	110 449	34 529	(43 174)	34 074	34 074	34 074	12 364	(4 943)	(22 703)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 052	508	977	6 414	2 450	2 450	2 450	-	-	-
Decrease (Increase) in non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets		(49 684)	(93 545)	(22 052)	(49 699)	(51 694)	(51 694)	(51 694)	(23 562)	(31 108)	(32 882)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(48 632)	(93 037)	(21 075)	(43 285)	(49 244)	(49 244)	(49 244)	(23 562)	(31 108)	(32 882)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
NET INCREASE/ (DECREASE) IN CASH HELD		46	14 982	13 125	(92 294)	(16 370)	(16 370)	(16 370)	(14 799)	(39 651)	(59 185)
Cash/cash equivalents at the year begin:	2	18 583	26 655	41 637	2 591	18 066	18 066	18 066	18 066	3 267	(36 384)
Cash/cash equivalents at the year end:	2	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)

Table 21 MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

NW392 Naledi (Nw) - Table A8 Cash backed reserves/accumulated surplus reconciliation			2020/21 Medium Term Revenue & Expenditure Framework								
Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome			
Cash and Investments available											
Cash/cash equivalents at the year end	1	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)
Other current investments > 90 days		-	0	(0)	89 702	(0)	(0)	(0)	(1 495)	38 238	97 509
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and Investments available:		18 628	41 637	54 762	-	1 696	1 696	1 696	1 772	1 854	1 939
Application of cash and investments											
Unspent conditional transfers		-	-	-	-	15 100	15 100	15 100	-	-	-
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2										
Other working capital requirements	3	417 654	421 765	523 798	428 998	582 573	582 573	582 573	731 272	764 914	800 114
Other provisions		8 379	27 220	43 644	10 647	10 647	10 647	10 647	45 608	47 706	49 900
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		426 034	448 985	567 442	439 645	608 320	608 320	608 320	776 880	812 620	850 015
Surplus(shortfall)		(407 405)	(407 348)	(512 679)	(439 645)	(606 624)	(606 624)	(606 624)	(775 108)	(810 766)	(848 075)

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

1. The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget.
2. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

Table 22 MBRR Table A9 - Asset Management

NW392 Naledi (Nw) - Table A9 Asset Management														
R thousand	Description	Ref	2016/17		2017/18		2018/19		Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year #1 2021/22	Budget Year #2 2022/23			
CAPITAL EXPENDITURE														
Total New Assets		1	18 257	20 995	27 548	40 345	50 488	50 488	15 514	31 108	25 930			
Roads Infrastructure			-	-	14 521	1 420	2 691	2 691	-	-	-			
Storm water Infrastructure			-	-	-	-	-	-	-	-	-			
Electrical Infrastructure			3 685	13 944	584	26 960	28 860	28 860	7 514	14 000	15 000			
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-			
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-			
Solid Waste Infrastructure			-	-	-	-	-	-	-	9 108	4 930			
Rail Infrastructure			-	-	-	-	-	-	-	-	-			
Coastal Infrastructure			-	-	-	-	-	-	-	-	-			
Information and Communication Infrastructure			6 865	-	-	-	-	-	-	-	-			
Infrastructure			10 548	13 944	15 105	28 380	31 551	31 551	7 514	23 108	19 930			
Community Facilities		5 294	7 051	9 170	10 740	12 079	12 079	12 079	8 000	8 000	6 000			
Sport and Recreation Facilities			-	2 456	-	4 249	4 249	4 249	-	-	-			
Community Assets		5 294	7 051	11 666	10 740	15 328	16 328	16 328	8 000	8 000	6 000			
Heritage Assets			-	-	-	-	-	-	-	-	-			
Revenue Generating			-	-	-	-	-	-	-	-	-			
Non-revenue Generating			-	-	-	-	-	-	-	-	-			
Investment properties			-	-	-	-	-	-	-	-	-			
Operational Buildings			-	-	-	1 214	2 500	2 500	-	-	-			
Housing			-	-	-	-	-	-	-	-	-			
Other Assets			-	-	-	1 214	2 500	2 500	-	-	-			
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-			
Services			-	-	-	-	-	-	-	-	-			
Licences and Rights			-	-	-	-	-	-	-	-	-			
Intangible Assets			-	-	-	-	-	-	-	-	-			
Computer Equipment			-	-	777	-	50	50	-	-	-			
Furniture and Office Equipment		83	-	-	-	-	-	-	-	-	-			
Machinery and Equipment		47	-	-	-	10	60	60	-	-	-			
Transport Assets		2 283	-	-	-	-	-	-	-	-	-			
Land			-	-	-	-	-	-	-	-	-			
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-			
Total Renewal of Existing Assets		2	-	7 480	-	-	-	-	-	-	-			
Roads Infrastructure			-	7 129	-	-	-	-	-	-	-			
Storm water Infrastructure			-	-	-	-	-	-	-	-	-			
Electrical Infrastructure			-	-	-	-	-	-	-	-	-			
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-			
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-			
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-			
Rail Infrastructure			-	-	-	-	-	-	-	-	-			
Coastal Infrastructure			-	-	-	-	-	-	-	-	-			
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-			
Infrastructure			-	7 129	-	-	-	-	-	-	-			
Community Facilities			-	350	-	-	-	-	-	-	-			
Sport and Recreation Facilities			-	350	-	-	-	-	-	-	-			
Community Assets			-	350	-	-	-	-	-	-	-			
Heritage Assets			-	-	-	-	-	-	-	-	-			
Revenue Generating			-	-	-	-	-	-	-	-	-			
Non-revenue Generating			-	-	-	-	-	-	-	-	-			
Investment properties			-	-	-	-	-	-	-	-	-			
Operational Buildings			-	-	-	-	-	-	-	-	-			
Housing			-	-	-	-	-	-	-	-	-			
Other Assets			-	-	-	-	-	-	-	-	-			
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-			
Services			-	-	-	-	-	-	-	-	-			
Licences and Rights			-	-	-	-	-	-	-	-	-			
Intangible Assets			-	-	-	-	-	-	-	-	-			
Computer Equipment			-	-	-	-	-	-	-	-	-			
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-			
Machinery and Equipment			-	-	-	-	-	-	-	-	-			
Transport Assets			-	-	-	-	-	-	-	-	-			
Land			-	-	-	-	-	-	-	-	-			
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-			
Total Upgrading of Existing Assets		6	-	-	472	9 354	1 205	1 205	8 048	-	6 952			
Roads Infrastructure			-	-	9 354	-	-	-	8 048	-	6 952			
Storm water Infrastructure			-	-	9 354	-	-	-	8 048	-	6 952			
Electrical Infrastructure			-	-	-	-	-	-	-	-	-			
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-			
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-			
Solid Waste Infrastructure			-	-	-	-	-	-	-	-	-			
Rail Infrastructure			-	-	-	-	-	-	-	-	-			
Coastal Infrastructure			-	-	-	-	-	-	-	-	-			
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-			
Infrastructure			-	9 354	-	-	-	8 048	-	6 952				
Community Facilities			-	472	-	1 205	1 205	-	-	-	-			
Sport and Recreation Facilities			-	472	-	1 205	1 205	-	-	-	-			
Community Assets			-	472	-	1 205	1 205	-	-	-	-			
Heritage Assets			-	-	-	-	-	-	-	-	-			
Revenue Generating			-	-	-	-	-	-	-	-	-			
Non-revenue Generating			-	-	-	-	-	-	-	-	-			
Investment properties			-	-	-	-	-	-	-	-	-			
Operational Buildings			-	-	-	-	-	-	-	-	-			
Housing			-	-	-	-	-	-	-	-	-			
Other Assets			-	-	-	-	-	-	-	-	-			
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-			
Services			-	-	-	-	-	-	-	-	-			
Licences and Rights			-	-	-	-	-	-	-	-	-			
Intangible Assets			-	-	-	-	-	-	-	-	-			
Computer Equipment			-	-	-	-	-	-	-	-	-			
Furniture and Office Equipment			-	-	-	-	-	-	-	-	-			
Machinery and Equipment			-	-	-	-	-	-	-	-	-			
Transport Assets			-	-	-	-	-	-	-	-	-			
Land			-	-	-	-	-	-	-	-	-			
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-			
Total Capital Expenditure		4	18 257	28 474	28 020	49 699	51 694	51 694	23 562	31 108	32 882			
Roads Infrastructure			-	7 129	14 521	10 774	2 691	2 691	8 048	-	6 952			
Storm water Infrastructure			-	-	-	-	-	-	-	-	-			
Electrical Infrastructure			3 685	13 944	584	26 960	28 860	28 860	7 514	14 000	15 000			
Water Supply Infrastructure			-	-	-	-	-	-	-	-	-			
Sanitation Infrastructure			-	-	-	-	-	-	-	-	-			
Solid Waste Infrastructure			-	-	-	-	-	-	-	9 108	4 930			
Rail Infrastructure			-	-	-	-	-	-	-	-	-			
Coastal Infrastructure			-	-	-	-	-	-	-	-	-			
Information and Communication Infrastructure			-	-	-	-	-	-	-	-	-			
Infrastructure			-	7 129	-	17 533	17 533	17 533	8 000	8 000	6 000			
Community Facilities			-	350	-	5 454	5 454	5 454	-	-	-			
Sport and Recreation Facilities			-	350	-	5 454	5 454	5 454	-	-	-			
Community Assets			-	472	-	1 214	2 500	2 500	-	-	-			
Heritage Assets			-	-	-	-	-	-	-	-	-			
Revenue Generating			-	-	-	-	-	-	-	-	-			
Non-revenue Generating			-	-	-	-	-	-	-	-	-			
Investment properties			-	-	-	-	-	-	-	-	-			
Operational Buildings			-	-	-	-	-	-	-	-	-			
Housing			-	-	-	-	-	-	-	-	-			
Other Assets			-	-	-	1 214	2 500	2 500	-	-	-			
Biological or Cultivated Assets			-	-	-	-	-	-	-	-	-			
Services			-	-	-	-	-	-	-	-	-			
Licences and Rights			-	-	-	-	-	-	-	-	-			
Intangible Assets			-	-	-	-	-	-	-	-	-			
Computer Equipment			-	-	777	-	50	50	-	-	-			
Furniture and Office Equipment		83	-	-	-	-	-	-	-	-	-			
Machinery and Equipment		47	-	-	-	10	60	60	-	-	-			
Transport Assets		2 283	-	-	-	-	-	-	-	-	-			
Land			-	-	-	-	-	-	-	-	-			
Zoo's, Marine and Non-biological Animals			-	-	-	-	-	-	-	-	-			

Explanatory notes to Table A9 - Asset Management

1. Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.
2. National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE.

Table 23 MBRR Table A10 - Basic Service Delivery Measurement

Description	Ref.	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Household service targets	1									
Water:										
Piped water inside dwelling		16 209	16 209	16 209	16 709	17 209	17 709	16 709	17 209	17 709
Piped water inside yard (but not in dwelling)		240	240	240	240	240	240	240	240	240
Using public tap (at least min.service level)	2	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750	1 750
Other water supply (at least min.service level)	4	831	831	831	831	831	831	831	831	831
<i>Minimum Service Level and Above sub-total</i>										
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	19 030	19 030	19 030	19 530	20 030	20 530	19 530	20 030	20 530
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		15 225	15 225	15 225	15 225	15 225	15 225	15 225	15 225	15 225
Flush toilet (with septic tank)		737	737	737	737	737	737	737	737	737
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581	2 581
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>										
Bucket toilet		—	—	—	—	—	—	—	—	—
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	18 543	18 543	18 543	18 543	18 543	18 543	18 543	18 543	18 543
Energy:										
Electricity (at least min.service level)		1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000	1 000
Electricity - prepaid (min.service level)		15 000	15 800	15 800	16 500	17 350	18 250	16 500	17 350	18 250
<i>Minimum Service Level and Above sub-total</i>										
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	16 000	16 800	16 800	17 500	18 350	19 250	17 500	18 350	19 250
Refuse:										
Removed at least once a week		14 126	14 126	14 126	14 176	14 176	14 176	14 226	14 276	14 276
<i>Minimum Service Level and Above sub-total</i>										
Removed less frequently than once a week		14 126	14 126	14 126	14 176	14 176	14 176	14 226	14 276	14 276
Using communal refuse dump		—	—	—	—	—	—	—	—	—
Using own refuse dump		790	790	790	790	790	790	790	790	790
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>										
Total number of households	5	14 916	14 916	14 916	14 966	14 966	14 966	15 016	15 066	15 066
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		4 201	4 201	5 900	5 900	5 900	5 900	6 000	6 200	6 200
Sanitation (free sanitation service to indigent households)		4 201	4 201	5 900	5 900	5 900	5 900	6 000	6 200	6 200
Electricity/other energy (50kwh per indigent household per month)		—	4 201	6 500	6 500	6 500	6 500	6 700	7 000	7 000
Refuse (removed at least once a week for indigent households)		4 201	4 201	5 900	5 900	5 900	5 900	5 950	6 000	6 000
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		—	—	—	4 064	4 064	4 064	4 283	4 514	4 712
Sanitation (free sanitation service to indigent households)		—	—	—	(1 470)	(1 470)	(1 470)	(1 272)	(1 330)	(1 391)
Electricity/other energy (50kwh per indigent household per month)		—	—	—	3 267	3 267	3 267	3 993	4 719	4 839
Refuse (removed once a week for indigent households)		—	—	—	10 492	10 492	10 492	2 970	3 107	3 250
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)					—	—	—	—	—	—
Total cost of FBS provided		—	—	—	16 352	16 352	16 352	9 975	11 010	11 410
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Electricity (Rand per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		—	—	—	3 997	3 997	3 997	4 051	4 237	4 432
Water (in excess of 6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided		—	—	—	3 997	3 997	3 997	4 051	4 237	4 432

Explanatory notes to Table A10 - Basic Service Delivery Measurement

1. Table A10 provides an overview of service delivery levels (below minimum service level), for each of the main services.

Part 2

OTHER SUPPORTING INFORMATION

2.1 Overview of the Annual Budget Process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager, senior officials, executive committee members, Finance and Corporate Portfolio councillors of the municipality meeting under the chairpersonship of the Mayor. The primary aims of the Budget Steering Committee are to ensure:

- That the process followed to compile the budget complies with legislation and good budget practices;
- That there is proper alignment between the policy and service delivery priorities set out in the Municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- That the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and

- That the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.1.1 The Budget Process Overview

In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.

The Mayor tabled in Council the required IDP and Budget Time schedule on 31 August 2019 and the schedule with key deadlines was approved by council during that meeting.

2.1.2 Community Consultation on the Draft Budget

The draft 2020/21 MTREF, will be tabled during a Special Council meeting dated 19 May 2020 whereby community members were present. The draft budget document is further made available on all municipal buildings and will also advertised on Stellalander Newspaper of 17 May 2020. Furthermore, due to COVID 19 locked down, a Mayoral Roadshow on the budget will not held in May and June 2020. The IDP and BUDGET documentations are available for inspection at the Archives/Records office at Naledi Local Municipality, 19 A Market Street, Vryburg during office hours on Monday to Friday between 7:30 until 16h00. The documents will also be available in the following public areas Shoprite Supermarket, Pick n Pay, Boxer, Choppies and Vryburg Taxi Rank. The community is allowed to submit their inputs to seek the community inputs on the budget latest on 24 June 2020. Submissions received during the community consultation process and additional information regarding revenue and expenditure and capital projects will be considered by the Budget Steering Committee at a meeting to be held between 25 June 2020 after which the budget will be approved by Council on or before the 30 June 2020.

2.1.3 IDP and Service Delivery and Budget Implementation Plan

The Municipality's IDP is its principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the fourth revision cycle included the following key IDP processes and deliverables:-

- Registration of community needs;
- Compilation of departmental business plans with key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes.

The IDP has been taken into a business and financial planning process leading up to the 2020/21 MTREF, based on the approved 2019/2020 MTREF, mid-year review and adjustments budget. The business planning process has subsequently been refined in the light of current economic circumstances and the resulting revenue projections.

With the compilation of the 2020/21 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the mid-year and third quarter performance against the 2019/2020 Departmental Service Delivery and Budget Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.2 Overview of Alignment of the Annual Budget with the IDP

The Constitution mandates local government with the responsibility to exercise local developmental and cooperative governance. The eradication of imbalances in South African society can only be realised through a credible integrated developmental planning process. Municipalities in South Africa need to utilise integrated development planning as a method to plan future development in their areas and so find the best solutions to achieve sound long-term development goals.

A municipal IDP provides a five year strategic programme of action aimed at setting short, medium and long term strategic and budget priorities to create a development platform, which correlates with the term of office of the political incumbents. The plan aligns the resources and the capacity of a municipality to its overall development aims and guides the municipal budget. An IDP is therefore a key instrument which municipalities use to provide vision, leadership and direction to all those that have a role to play in the development of a municipal area.

The IDP enables municipalities to make the best use of scarce resources and speed up service delivery. Integrated developmental planning in the South African context is amongst others, an approach to planning aimed at involving the municipality and the community to jointly find the best solutions towards sustainable development. Furthermore, integrated development planning provides a

strategic environment for managing and guiding all planning, development and decision making in the municipality. It is important that the IDP developed by municipalities correlate with National and Provincial intent. It must aim to co-ordinate the work of local and other spheres of government in a coherent plan to improve the quality of life for all the people living in that area.

Applied to the Municipality, issues of national and provincial importance should be reflected in the IDP of the municipality. A clear understanding of such intent is therefore imperative to ensure that the Municipality strategically complies with the key national and provincial priorities. The aim of this revision cycle was to develop and coordinate a coherent plan to improve the quality of life for all the people living in the area, also reflecting issues of national and provincial importance. One of the key objectives is therefore to ensure that there exists alignment between national and provincial priorities, policies and strategies and the Municipality's response to these requirements.

The Constitution requires local government to relate its management, budgeting and planning functions to its objectives. This gives a clear indication of the intended purposes of municipal integrated development planning. Legislation stipulates clearly that a municipality must not only give effect to its IDP, but must also conduct its affairs in a manner which is consistent with its IDP. The following table highlights the IDP's five strategic objectives for the 2020/2021

MTREF and further planning refinements that have directly informed the compilation of the budget:

Table below presents the reconciliation of the IDP Strategic Objectives. In order to ensure integrated and focused service delivery between all spheres of government it was important for the Municipality to align its budget priorities with that of national and provincial government. All spheres of government place a high priority on infrastructure development, economic development and job creation, efficient service delivery, poverty alleviation and building sound institutional arrangements.

In line with the MSA, the IDP constitutes a single, inclusive strategic plan for the Municipality. The five-year programme responds to the development challenges and opportunities faced by the Municipality by identifying the key performance areas to achieve the five the strategic objectives mentioned above. In addition to the five-year IDP, the Municipality undertakes an extensive planning and developmental strategy which primarily focuses on a longer-term horizon; 15 to 20 years for infrastructure planning. This process is aimed at influencing the development path to restructure current patterns of settlement, activity and access to resources in the Municipality so as to promote greater equity and enhanced opportunity. It provides direction to the Municipality's IDP, associated sectorial plans and strategies, and the allocation of resources of the Municipality and other service delivery partners.

The 2020/21 MTREF has therefore been directly informed by the IDP revision process and the following tables MBRR Tables SA4-SA6 as outlined in Table below provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

NW392 Naledi (Nw) - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)												
Strategic Objective R thousand	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Municipal Transformation and Organisational Development				5 473	1 909	—	510	510	510	503	530	559
Municipal Financial Viability				157 480	96 016	117 657	132 772	132 772	132 772	119 201	126 276	133 262
Basic Service Delivery and Infrastructure Investment				239 507	206 318	254 170	316 889	294 016	294 016	281 703	299 785	314 002
Good Governance and Public Participation				—	2 289	977	2 450	2 450	2 450	—	—	—
Local Economic Development (LED)												
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	402 460	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823

NW392 Naledi (Nw) - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)													
Strategic Objective R thousand	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Municipal Transformation and Organisational Development				33 218	43 620	33 935	56 498	62 275	62 275	69 873	61 500	64 004	
Municipal Financial Viability				80 804	62 373	33 698	48 980	43 152	43 152	52 022	51 274	53 875	
Basic Service Delivery and Infrastructure Investment				265 016	229 582	210 338	294 034	295 232	295 232	320 243	326 568	342 142	
Good Governance and Public Participation				33 432	26 020	191 881	15 338	15 246	15 246	14 789	15 405	16 054	
Local Economic Development (LED)				-	-	-	2 536	3 638	3 638	2 791	2 791	2 919	
Allocations to other priorities													
Total Expenditure				1	412 470	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994

NW392 Naledi (Nw) - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)												
Strategic Objective R thousand	Goal	Goal Code	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Municipal Transformation and Organisational Development		A		6 892	—	777	—	2 500	2 500			
Municipal Financial Viability		B		27	—	—	—	50	50			
Basic Service Delivery and Infrastructure Investment		C		11 295	28 474	27 243	48 484	49 144	49 144	23 562	31 108	32 882
Good Governance and Public Participation		D		43								
Local Economic Development (LED)		E										
		F										
		G										
		H										
		I										
		J										
		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities		3										
Total Capital Expenditure	1			18 257	28 474	28 020	48 484	51 694	51 694	23 562	31 108	32 882

2.3 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and

good business practices as informed by the National Framework for Managing Programme Performance Information, the Municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality target, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

At any given time within government, information from multiple years is being considered; plans and budgets for next year; implementation for the current year; and reporting on last year's performance. Although performance information is reported publicly at each quarter, the performance information process begins when policies are being developed, and continues through each of the planning, budgeting, implementation and reporting stages.

NW392 Naledi (Nw) - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Vote 1 - Municipal roads & Storm Water										
Function 1 - (Roads)										
Sub-function 1 - (Gravel roads)										
27 km of gravel roads to be regravelled	KM	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%	10.0%	3.0%	3.0%
Sub-function 2 - (upgrading)										
Upgrading of gravel roads to paved roads	km	6.0%	9.0%	9.0%	9.0%	9.0%	9.0%	5.0%	5.0%	
18										
Sub-function 3 - (reseale paved roads)										
patching of potholes and reseale damaged	km	4.0%	2.0%	2.0%	2.0%	2.0%	2.0%	4.0%	4.0%	4.0%
Function 2 - (Storm Water)										
Sub-function 1 - (channels)										
cleaning and repair of storm water channels	M	2.0%	3.0%	3.0%	3.0%	3.0%	3.0%	4.0%	4.0%	4.0%
7000										
Sub-function 2 - (open channels)										
installing new open channels										
4000	M	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	2.0%		
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - Electrical generation and										
Function 1 - (Bulk network)										
Sub-function 1 - (Bulk Lines)										
upgrading of bulk neworks	km	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	5.0%		
14										
Sub-function 2 - Transformers										
Punification of transformers										
263	numbers	0.0%	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%		
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (Distribution)										
Sub-function 1 - (low tension)										
Upgrading of low tension net work										
43	KM	0.6%	10.0%	10.0%	10.0%	10.0%	10.0%	5.0%		
Sub-function 2 - (community lighting)										
install new and repair street lights and										
769	number	50.0%	350.0%	350.0%	350.0%	350.0%	350.0%	200.0%		
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - Water and sanitation										
Function 1 - (Water)										
Sub-function 1 - (bore holes)										
refurbish and equip boreholes										
19	number	8.0%	10.0%	10.0%	10.0%	10.0%	10.0%	0.0%		
Sub-function 2 - (bulk lines rasevors)										
Upgrade and Install bulk distribution lines										
78	km									
Sub-function 3 - (name)										
Insert measure/s description										
20 bulk meters		20.0%	27.0%	27.0%	27.0%	27.0%	27.0%			
Function 2 - (sunitation)										
sewer palant										
upgrading of sewer plant and oxidation ponds										
2	number	20.0%	1.0%	1.0%	1.0%	1.0%	1.0%			
Sub-function 2 - (distribution lines vlp)										
upgrading of distribution line and maintanance										
And so on for the rest of the Votes										

2.4 Overview of budget related-policies

The Municipality's budgeting process is guided and governed by relevant legislation, frameworks. Additional to the MFMA and the Municipal Budget and Reporting Regulations, the following policies are used to guide the budget process:-

2.4.1 Asset Management Policy

The Asset Management Policy is considered a strategic guide in ensuring a sustainable approach to asset renewal, repairs and maintenance. In addition the policy prescribes the accounting and administrative policies and procedures relating to property, plant and equipment (fixed assets).

A proxy for asset consumption can be considered the level of depreciation each asset incurs on an annual basis. Preserving the investment in existing infrastructure needs to be considered a significant strategy in ensuring the future sustainability of infrastructure and the revenue base.

2.4.2 Budget Policy

The budget process is governed by various provisions in the MFMA and is aimed at instilling and establishing an increased level of discipline, responsibility and accountability in the financial management practices of municipalities. To ensure that the Municipality continues to deliver on its core mandate and achieves its developmental goals, the mid-year review and adjustment budget process will be utilised to ensure that underperforming functions are identified and funds redirected to performing functions.

2.4.3 Supply Chain Management Policy

The revised SCM Policy which incorporates the new PPPFA regulations will be tabled to the Council meeting together with this draft budget.

2.4.4 Investment & Cash Management Policy

The aim of the policy is to ensure that the Municipality's surplus cash and investments are adequately managed, especially the funds set aside for the cash backing of certain reserves.

2.5 Overview of budget assumptions

2.5.1 External factors

The effects of recession are still evident. After a protracted hike in the interest rates, this increased recently. Upwards pressure is also evident in the inflation rate and the Rand continues to weaken against leading currencies. International oil prices are rising after a significant decrease over the previous months.

2.5.2 General inflation outlook and its impact on the municipal activities

There are five key factors that have been taken into consideration in the compilation of the 2019/20 MTREF:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on Municipality's residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and fuel; and
- The increase in the cost of remuneration.

2.5.3 Interest rates for borrowing and investment of funds

The MFMA specifies that borrowing can only be utilised to fund capital or refinancing of borrowing in certain conditions. The municipality chiefly engages in amortisation-style loans requiring both regular principal and interest payments. Surplus cash is invested and re-invested at short intervals.

2.5.4 Growth or decline in tax base of the municipality

Lack of revenue collection sources for the municipality being one critical concerning point especially in Huhudi where Eskom provides electricity and the municipality has no leverage when doing debt collection. The municipality is 84% own revenue collection and 16% grants dependent.

2.5.5 Salary increases

Salary increases were based on the proposed increase as per the MFMA budget circular.

2.5.6 Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- Creating jobs;
- Enhancing education and skill development;
- Improving Health services;
- Rural development and agriculture; and
- Fighting crime and corruption.

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy

priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

2.5.7 Ability of the municipality to spend and deliver on the programmes

It is estimated that a spending rate of at 100 per cent is achieved on operating expenditure and 100 per cent on the capital programme for the 2020/21 MTREF.

2.6 Overview of budget funding

2.6.1 Medium-term outlook: operating revenue

Revenue from services charges, property rates, rental of facilities and equipment, interest earned-outstanding debtors and investment, fines, licences and permits and other revenue contributes marginally to the revenue base. It needs to be noted that these allocations have been conservatively estimated. The actual performance against budget will be carefully monitored. Any variances in this regard will be addressed as part of the mid-year review and adjustments budget.

For the medium-term, the funding strategy has been informed directly by ensuring financial sustainability and continuity.

NW392 Naledi (Nw) - Table A4 Budgeted Financial Performance (revenue and expenditure)											
Description R thousand	Ref 1	Current Year 2019/20							2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue By Source											
Property rates	2	76 826	46 058	52 531	68 192	68 192	68 192	68 192	55 458	58 009	60 677
Service charges - electricity revenue	2	100 361	110 404	126 043	164 343	144 651	144 651	144 651	147 963	154 762	161 878
Service charges - water revenue	2	15 119	3 334	33 996	21 693	21 693	21 693	21 693	26 512	27 966	29 507
Service charges - sanitation revenue	2	17 194	16 841	24 715	26 194	26 194	26 194	26 194	25 582	26 758	27 989
Service charges - refuse revenue	2	15 909	15 023	22 674	24 723	24 723	24 723	24 723	23 321	24 394	25 516
Rental of facilities and equipment		1 004	2 372	2 703	1 933	1 933	1 933	1 933	1 879	1 965	2 055
Interest earned - external investments		529	329	375	293	293	293	293	347	363	380
Interest earned - outstanding debtors		20 595	20 654	22 097	23 796	23 796	23 796	23 796	24 236	25 351	26 517
Dividends received					—	—	—	—	—	—	—
Fines, penalties and forfeits		1 812	770	1 664	2 400	1 800	1 800	1 800	1 400	1 500	1 600
Licences and permits		6 390	5 732	5 016	6 281	4 200	4 200	4 200	6 213	6 548	6 705
Agency services					—	—	—	—	—	—	—
Transfers and subsidies		46 878	45 280	49 038	58 018	58 018	58 018	58 018	62 084	64 868	68 981
Other revenue	2	40 972	1 418	14 037	4 402	3 902	3 902	3 902	2 005	2 099	2 194
Gains		—	508	977	2 450	2 450	2 450	2 450	—	—	—
Total Revenue (excluding capital transfers and contributions)		343 588	268 724	355 867	404 718	381 844	381 844	381 844	377 000	394 584	414 000

Tariff increase for 2020-2021

TARRIF INCREASE	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Property rates	4.5	4.6	4.6
Service charges - electricity revenue	6.24	4.6	4.6
Service charges - water revenue	4.5	4.6	4.6
Service charges - sanitation revenue	4.5	4.6	4.6
Service charges - refuse revenue	4.5	4.6	4.6
Other Charges	4.5	4.6	4.6

2.6.2 Medium-term outlook: capital revenue

The following table is a breakdown of the funding composition of the 2020/21 medium-term capital programme:

Capital grants and receipts equates to 100 per cent of the total funding source which represents R23,6 million for the 2020/21 financial year.

The municipality did not raise new loans, however, the municipality is still servicing old loans from the DBSA.

Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium-Term Revenue & Expenditure Framework			
					Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21
Transfers recognised - capital	4	13 262	28 474	28 000	47 064	47 194	47 194	47 194	47 194	23 562	31 108	32 882
Borrowing	6				—	—	—	—	—			
Internally generated funds				21	2 635	4 500	4 500	4 500	4 500			
Total Capital Funding	7	18 257	28 474	28 020	49 699	51 694	51 694	51 694	51 694	23 562	31 108	32 882

Vote Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		43	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		6 892	—	777	—	2 500	2 500	2 500	—	—	—
Vote 4 - FINANCIAL SERVICES		27	—	—	—	50	50	50	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		1 393	—	—	—	—	—	—	—	9 108	4 930
Vote 7 - TECHNICAL SERVICES		4 592	21 073	15 105	41 708	35 525	35 525	35 525	15 562	14 000	21 952
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
Capital multi-year expenditure sub-total	7	18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882
Single-year expenditure to be appropriated	2										
Vote 1 - EXECUTIVE AND COUNCIL		—	—	—	—	—	—	—	—	—	—
Vote 2 - MUNICIPAL MANAGER		—	—	—	—	—	—	—	—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 4 - FINANCIAL SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 7 - TECHNICAL SERVICES		—	—	—	—	—	—	—	—	—	—
Vote 8 - ECONOMIC DEVELOPMENT		—	—	—	—	—	—	—	—	—	—
Vote 9 - [NAME OF VOTE 9]		—	—	—	—	—	—	—	—	—	—
Vote 10 - [NAME OF VOTE 10]		—	—	—	—	—	—	—	—	—	—
Vote 11 - [NAME OF VOTE 11]		—	—	—	—	—	—	—	—	—	—
Vote 12 - [NAME OF VOTE 12]		—	—	—	—	—	—	—	—	—	—
Vote 13 - [NAME OF VOTE 13]		—	—	—	—	—	—	—	—	—	—
Vote 14 - [NAME OF VOTE 14]		—	—	—	—	—	—	—	—	—	—
Vote 15 - [NAME OF VOTE 15]		—	—	—	—	—	—	—	—	—	—
Capital single-year expenditure sub-total		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Vote		18 257	28 474	28 020	48 484	51 694	51 694	51 694	23 562	31 108	32 882
Capital Expenditure - Functional											
Governance and administration		6 962	—	777	1 214	2 550	2 550	2 550	—	—	—
Executive and council		43		—	—	—	—	—	—	—	—
Finance and administration		27		777	1 214	2 550	2 550	2 550	—	—	—
Internal audit		6 892		—	—	—	—	—	—	—	—
Community and public safety		5 310	7 401	12 138	6 776	13 619	13 619	13 619	8 000	8 000	6 000
Community and social services		5 294	7 401	9 170	6 776	8 165	8 165	8 165	8 000	8 000	—
Sport and recreation		—	—	2 968	—	5 454	5 454	5 454	—	—	6 000
Public safety		16		—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—	—
Health		—	—	—	—	—	—	—	—	—	—
Economic and environmental services		17	7 129	14 521	14 748	6 665	6 665	6 665	8 048	—	6 952
Planning and development		—	—	—	3 964	3 964	3 964	3 964	—	—	—
Road transport		17	7 129	14 521	10 784	2 701	2 701	2 701	8 048	—	6 952
Environmental protection		—	—	—	—	—	—	—	—	—	—
Trading services		5 968	13 944	584	26 960	28 860	28 860	28 860	7 514	23 108	19 930
Energy sources		3 685	13 944	584	26 960	28 860	28 860	28 860	7 514	14 000	15 000
Water management		—	—	—	—	—	—	—	—	—	—
Waste water management		891		—	—	—	—	—	—	—	—
Waste management		1 393		—	—	—	—	—	—	9 108	4 930
Other		—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure - Functional	3	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Funded by:											
National Government		8 979	28 474	28 000	43 100	43 230	43 230	43 230	23 562	31 108	32 882
Provincial Government		4 283		—	—	—	—	—	—	—	—
District Municipality		—	—	—	—	—	—	—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial					3 964	3 964	3 964	3 964	—	—	—
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)					—	—	—	—	—	—	—
Transfers recognised - capital	4	13 262	28 474	28 000	47 064	47 194	47 194	47 194	23 562	31 108	32 882
Borrowing	6	4 995		21	—	—	—	—			
Internally generated funds					2 635	4 500	4 500	4 500			
Total Capital Funding	7	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882

2.6.3 Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below is consistent with international standards of good financial management practice and also improves understanding for councillors and management. Some specific features include:

- Clear separation of receipts and payments within each cash flow category;
- Clear separation of capital and operating receipts from government, which also enables cash from 'Ratepayers and other' to be provided for as cash inflow based on actual performance. In other words the actual collection rate of billed revenue.

NW392 Naledi (Nw) - Table A7 Budgeted Cash Flows

R thousand	Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
CASH FLOW FROM OPERATING ACTIVITIES												
Receipts												
Property rates			37 079	50 128	51 496	56 060	51 144	51 144	51 144	52 685	55 109	57 644
Service charges			92 677	110 743	155 534	200 739	143 058	143 058	143 058	146 886	153 753	160 948
Other revenue			95 104	74 144	(5 447)	15 016	11 835	11 835	11 835	11 497	12 111	12 553
Transfers and Subsidies - Operational	1	54 875	45 280	49 038	58 018	43 757	43 757	43 757	43 757	62 084	64 868	68 981
Transfers and Subsidies - Capital	1	58 872	37 809	33 007	43 939	47 064	47 064	47 064	47 064	24 407	32 008	33 823
Interest			21 124		375	293	293	293	293	347	363	380
Dividends										—	—	—
Payments												
Suppliers and employees			(266 679)	(207 654)	(240 250)	(401 098)	(260 027)	(260 027)	(260 027)	(271 059)	(308 281)	(341 139)
Finance charges			(39 578)		(9 223)	(16 091)	(3 000)	(3 000)	(3 000)	(14 484)	(14 875)	(15 894)
Transfers and Grants	1	(144)			(50)	(50)	(50)	(50)	(50)	—	—	—
NET CASH FROM/(USED) OPERATING ACTIVITIES		53 331	110 449	34 529	(43 174)	34 074	34 074	34 074	34 074	12 364	(4 943)	(22 703)
CASH FLOWS FROM INVESTING ACTIVITIES												
Receipts												
Proceeds on disposal of PPE			1 052	508	977	6 414	2 450	2 450	2 450	—	—	—
Decrease ((increase) in non-current receivables										—	—	—
Decrease ((increase) in non-current investments										—	—	—
Payments												
Capital assets			(49 684)	(93 545)	(22 052)	(49 699)	(51 694)	(51 694)	(51 694)	(23 562)	(31 108)	(32 882)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(48 632)	(93 037)	(21 075)	(43 285)	(49 244)	(49 244)	(49 244)	(49 244)	(23 562)	(31 108)	(32 882)
CASH FLOWS FROM FINANCING ACTIVITIES												
Receipts												
Short term loans										—	—	—
Borrowing long term/refinancing										—	—	—
Increase (decrease) in consumer deposits										—	—	—
Payments												
Repayment of borrowing			(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
NET INCREASE/ (DECREASE) IN CASH HELD		46	14 982	13 125	(92 294)	(16 370)	(16 370)	(16 370)	(16 370)	(14 799)	(39 651)	(59 185)
Cash/cash equivalents at the year begin:	2	18 583	26 655	41 637	2 591	18 066	18 066	18 066	18 066	18 066	3 267	(36 384)
Cash/cash equivalents at the year end:	2	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	1 696	3 267	(36 384)	(95 569)

2.6.4 Cash Backed Reserves/Accumulated Surplus Reconciliation

Table below, MBRR Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation below meets the requirements of MFMA Circular 42 which deals with the funding of a municipal budget in accordance with sections 18 and 19 of the MFMA. The table seeks to answer three key questions regarding the use and availability of cash:

- What are the predicted cash and investments that are available at the end of the budget year? • How are those funds used?
- What is the net funds available or funding shortfall?

A surplus would indicate the cash-backed accumulated surplus that is available. A shortfall (applications cash and investments) is indicative of non-compliance with section 18 of the MFMA requirement that the municipality's budget must be 'funded'. It is also important to analyse trends to understand the consequences. Small cash surpluses have been realised over the past three years, which is inevitably utilised to finance operations. No meaningful growth in cash has occurred. The working capital has to be optimally managed.

NW392 Naledi (Nw) - Table A8 Cash backed reserves/accumulated surplus reconciliation											
Description R thousand	Ref	2016/17		2017/18		2018/19		Current Year 2019/20			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Cash and investments available											
Cash/cash equivalents at the year end	1	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)
Other current investments > 90 days		—	0	(0)	89 702	(0)	(0)	(0)	(1 495)	38 238	97 509
Non current assets - Investments	1	—	—	—	—	—	—	—	—	—	—
Cash and investments available:		18 628	41 637	54 762		1 696	1 696	1 696	1 772	1 854	1 939
Application of cash and investments											
Unspent conditional transfers		—	—	—	—	15 100	15 100	15 100	—	—	—
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2										
Other working capital requirements	3	417 654	421 765	523 798	428 998	582 573	582 573	582 573	731 272	764 914	800 114
Other provisions	3	8 379	27 220	43 644	10 647	10 647	10 647	10 647	45 608	47 706	49 900
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		426 034	448 985	567 442	439 645	608 320	608 320	608 320	776 880	812 620	850 015
Surplus(shortfall)		(407 405)	(407 348)	(512 679)	(439 645)	(606 624)	(606 624)	(606 624)	(775 108)	(810 766)	(848 075)

2.6.5 Funding compliance measurement

National Treasury requires that the municipality assess its financial sustainability against fourteen different measures that look at various aspects of the financial health of the municipality. These measures are contained in the following table. All the information comes directly from the annual budgeted statements of financial performance, financial position and cash flows. The funding compliance measurement table essentially measures the degree to which the proposed budget complies with the funding requirements of the MFMA. Each of the measures is discussed below.

NW392 Naledi (Nw) Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)
Cash + Investments at the yr end less applications - R'000	18(1)b	2	(407 405)	(407 348)	(512 679)	(439 645)	(606 624)	(606 624)	(606 624)	(775 108)	(810 766)	(848 075)
Cash year end/monthly employee/supplier payments	18(1)b	3	0.6	1.6	1.6	(2.9)	0.1	0.1	0.1	0.1	(1.1)	(2.7)
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	(21.0%)	29.6%	11.4%	(12.5%)	(6.0%)	(6.0%)	(8.3%)	(1.3%)	(1.3%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	75.9%	105.6%	66.0%	79.0%	64.2%	64.2%	64.2%	67.1%	67.1%	67.1%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	14.9%	8.7%	27.8%	6.0%	6.4%	6.4%	6.4%	5.5%	5.5%	5.7%
Capital payments % of capital expenditure	18(1)c;19	8	272.1%	328.5%	78.7%	102.5%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	39.4%	(8.1%)	4.0%	0.0%	0.0%	0.0%	(30.1%)	4.6%	4.6%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	0.2%	0.2%	0.1%	1.0%	0.7%	0.7%	1.3%	0.9%	0.8%	0.9%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	26.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

2.7 Expenditure on grants and reconciliations of unspent funds

NW392 Naledi (Nw) - Supporting Table SA19 Expenditure on transfers and grant programme

Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		44 710	47 431	50 682	56 358	56 358	56 358	60 424	63 181	67 266
Local Government Equitable Share		41 201	43 507	47 260	52 554	52 554	52 554	56 283	60 481	64 266
Finance Management		1 625	1 700	1 770	2 235	2 235	2 235	2 600	2 700	3 000
EPWP Incentive		1 884	2 224	1 652	1 569	1 569	1 569	1 541		
Other transfers/grants [insert description]		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Provincial Government:		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Sport and Recreation										
Other transfers/grants [insert description]										
District Municipality:		4 500	—	—	—	—	—	—	—	—
District Municipality:		4 500								
Other grant providers:		—	—	—	—	—	—	—	—	—
[insert description]										
Total operating expenditure of Transfers and Grants		50 690	48 911	51 768	57 518	57 518	57 518	61 584	64 341	68 426
Capital expenditure of Transfers and Grants										
National Government:		51 788	38 205	35 043	43 939	43 939	43 939	24 407	32 008	34 489
Municipal Infrastructure Grant (MIG)		33 788	17 205	29 218	16 979	16 979	16 979	16 893	18 008	18 823
INEP, IDC & EEDSMG		18 000	21 000	5 825	26 960	26 960	26 960	7 514	14 000	15 666
Provincial Government:		—	—	—	—	—	—	—	—	—
Other capital transfers/grants [insert description]										
District Municipality:		—	—	—	—	—	—	—	—	—
District Municipality:										
Other grant providers:		—	—	—	3 964	3 964	3 964	—	—	—
[insert description]					3 964	3 964	3 964			
Total capital expenditure of Transfers and Grants		51 788	38 205	35 043	47 903	47 903	47 903	24 407	32 008	34 489
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		102 478	87 116	86 811	105 421	105 421	105 421	85 991	96 349	102 915

NW392 Naledi (Nw) - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds										
Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		44 710	47 431	50 682	56 358	56 358	56 358	60 424	63 181	67 266
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		44 710	47 431	50 682	56 358	56 358	56 358	60 424	63 181	67 266
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		1 480	1 480	1 086	1 160	1 160	1 160	1 160	1 160	1 160
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		4 500								
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		4 500								
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total operating transfers and grants - CTBM	2	50 690	48 911	51 768	57 518	57 518	57 518	61 584	64 341	68 426
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		51 788	38 205	35 043	43 939	43 939	43 939	24 407	32 008	34 489
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		51 788	38 205	35 043	43 939	43 939	43 939	24 407	32 008	34 489
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue										
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year					3 964	3 964	3 964			
Current year receipts					-	-	-	-	-	-
Conditions met - transferred to revenue					3 964	3 964	3 964			
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		-	-	-	-	-	-	-	-	-
Total capital transfers and grants - CTBM	2	51 788	38 205	35 043	47 903	47 903	47 903	24 407	32 008	34 489
TOTAL TRANSFERS AND GRANTS REVENUE		-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS - CTBM		102 478	87 116	86 811	105 421	105 421	105 421	85 991	96 349	102 915

2.8 Councillor and employee benefits

NW392 Naledi (Nw) - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)								
Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contribution	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum			1.					2.
Councillors	3							
Speaker	4		466 561	79 213	650 090			1 195 864
Chief Whip			–	–	–			–
Executive Mayor			583 199	99 016	178 322			860 537
Deputy Executive Mayor			–	–	–			–
Executive Committee			1 549 067	262 999	528 477			2 340 543
Total for all other councillors			2 584 028	438 689	681 218			3 703 935
Total Councillors	8	–	5 182 855	879 917	2 038 107			8 100 879
Senior Managers of the Municipality	5							
Municipal Manager (MM)			917 231	1 785	573 269			1 492 285
Chief Finance Officer			749 761	1 785	477 600			1 229 146
Executive Manager Technical Service			749 761	1 785	483 669			1 235 215
Executive Manager Administration			749 761	1 785	468 600			1 220 146
Executive Manager Community Service			749 761	128 307	342 078			1 220 146
<i>List of each official with packages >= senior manager</i>								–
								–
								–
								–
								–
								–
								–
								–
								–
								–
Total Senior Managers of the Municipality	8,10	–	3 916 275	135 447	2 345 216	–		6 396 938

2.9 Monthly targets for revenue, expenditure and cash flow

NW392 Naledi (Nw) - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description R thousand	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue By Source																	
Property rates		4 622	4 622	4 622	4 622	4 622	4 622	4 622	4 622	4 622	4 622	4 622	4 622	55 458	58 009	60 677	
Service charges - electricity revenue		12 330	12 330	12 330	12 330	12 330	12 330	12 330	12 330	12 330	12 330	12 330	12 330	147 963	154 762	161 878	
Service charges - water revenue		2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	2 209	26 512	27 966	29 507	
Service charges - sanitation revenue		2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	2 132	25 582	26 758	27 989	
Service charges - refuse revenue		1 943	1 943	1 943	1 943	1 943	1 943	1 943	1 943	1 943	1 943	1 943	1 943	23 321	24 394	25 516	
Rental of facilities and equipment		157	157	157	157	157	157	157	157	157	157	157	157	1 879	1 965	2 055	
Interest earned - external investments		29	29	29	29	29	29	29	29	29	29	29	29	347	363	380	
Interest earned - outstanding debtors		2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 020	2 020	24 236	25 351	26 517	
Dividends received		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Fines, penalties and forfeits		117	117	117	117	117	117	117	117	117	117	117	117	1 400	1 500	1 600	
Licences and permits		516	516	516	516	516	516	516	516	516	516	516	516	6 213	6 548	6 705	
Agency services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and subsidies		5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	62 084	64 868	68 981	
Other revenue		167	167	167	167	167	167	167	167	167	167	167	167	2 005	2 099	2 194	
Gains														-	-	-	
Total Revenue (excluding capital transfers and con-		31 417	31 417	31 417	31 417	31 417	31 417	31 417	31 417	31 417	31 417	31 417	31 417	377 000	394 584	414 000	
Expenditure By Type																	
Employee related costs		16 656	16 656	16 656	16 656	16 656	16 656	16 656	16 656	16 656	16 656	16 656	16 656	199 874	208 936	218 547	
Remuneration of councillors		675	675	675	675	675	675	675	675	675	675	675	675	8 101	8 474	8 663	
Debt impairment		1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	1 269	15 226	15 929	17 504	
Depreciation & asset impairment		2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	2 031	24 370	24 370	24 370	
Finance charges		1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	14 484	14 875	15 894	
Bulk purchases		10 723	10 723	10 723	10 723	10 723	10 723	10 723	10 723	10 723	10 723	10 723	10 723	128 672	135 296	142 225	
Other materials		127	127	127	127	127	127	127	127	127	127	127	127	1 524	1 326	1 369	
Contracted services		3 079	3 079	3 079	3 079	3 079	3 079	3 079	3 079	3 079	3 079	3 079	3 079	36 943	36 943	36 943	
Transfers and subsidies		7	7	7	7	7	7	7	7	7	7	7	7	80	84	88	
Other expenditure		2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	30 444	31 811	32 993	
Losses														-	-	-	
Total Expenditure		38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 313	459 718	457 538	478 994
Surplus/(Deficit)																	
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(6 893)	(82 718)	(62 954)	(64 994)	
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	2 034	24 407	32 008	33 823	
Transfers and subsidies - capital (in-kind - all)														-	-	-	
Surplus/(Deficit) after capital transfers & contributions		(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(58 311)	(30 946)	(31 171)	
Taxation														-	-	-	
Attributable to minorities														-	-	-	
Share of surplus/ (deficit) of associate														-	-	-	
Surplus/(Deficit)	1	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(58 311)	(30 946)	(31 171)	

NW392 Naledi (Nw) - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)														Medium Term Revenue and Expenditure Framework			
Description R thousand	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Revenue by Vote																	
Vote 1 - EXECUTIVE AND COUNCIL		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 2 - MUNICIPAL MANAGER		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		42	42	42	42	42	42	42	42	42	42	42	42	503	530	559	
Vote 4 - FINANCIAL SERVICES		9 933	9 933	9 933	9 933	9 933	9 933	9 933	9 933	9 933	9 933	9 933	9 933	119 201	126 276	133 262	
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		936	996	996	996	996	996	996	996	996	996	996	996	11 955	12 534	12 944	
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	29 173	28 904	30 233	
Vote 7 - TECHNICAL SERVICES		20 048	20 048	20 048	20 048	20 048	20 048	20 048	20 048	20 048	20 048	20 048	20 048	240 575	258 347	270 825	
Vote 8 - ECONOMIC DEVELOPMENT		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Revenue by Vote		33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	401 407	426 592	447 823	
Expenditure by Vote to be appropriated																	
Vote 1 - EXECUTIVE AND COUNCIL		1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	1 232	14 789	15 405	16 054	
Vote 2 - MUNICIPAL MANAGER		1 772	1 772	1 772	1 772	1 772	1 772	1 772	1 772	1 772	1 772	1 772	1 772	21 259	11 917	12 330	
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		4 051	4 051	4 051	4 051	4 051	4 051	4 051	4 051	4 051	4 051	4 051	4 051	48 614	49 583	51 673	
Vote 4 - FINANCIAL SERVICES		4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	4 335	52 022	51 274	53 875	
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	4 487	17 387	66 744	68 701	
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	2 559	30 705	30 741	32 068	
Vote 7 - TECHNICAL SERVICES		18 566	18 566	18 566	18 566	18 566	18 566	18 566	18 566	18 566	18 566	18 566	18 566	222 794	227 126	238 486	
Vote 8 - ECONOMIC DEVELOPMENT		233	233	233	233	233	233	233	233	233	233	233	233	2 791	2 791	2 919	
Vote 9 - [NAME OF VOTE 9]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 10 - [NAME OF VOTE 10]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 11 - [NAME OF VOTE 11]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 - [NAME OF VOTE 12]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 - [NAME OF VOTE 13]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 - [NAME OF VOTE 14]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 - [NAME OF VOTE 15]		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Expenditure by Vote		37 235	37 235	37 235	37 235	37 235	37 235	37 235	37 235	37 235	37 235	37 235	37 235	50 137	459 718	457 538	478 994
Surplus/(Deficit) before assoc.		(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(16 686)	(58 311)	(30 946)	(31 171)
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(Deficit)		1	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(3 784)	(16 686)	(58 311)	(30 946)	(31 171)

NW392 Naledi (Nw) - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)														Medium Term Revenue and Expenditure Framework			
Description R thousand	Ref	Budget Year 2020/21												Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
		July	August	Sept.	October	November	December	January	February	March	April	May	June				
Revenue - Functional																	
<i>Governance and administration</i>		9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	119 704	126 807	133 821	
Executive and council		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Finance and administration		9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	9 975	119 704	126 807	133 821	
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Community and public safety</i>		344	344	344	344	344	344	344	344	344	344	344	344	4 126	4 261	4 403	
Community and social services		339	339	339	339	339	339	339	339	339	339	339	339	4 064	4 197	4 336	
Sport and recreation		5	5	5	5	5	5	5	5	5	5	5	5	62	64	67	
Public safety		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Housing		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Economic and environmental services</i>		2 723	2 723	2 723	2 723	2 723	2 723	2 723	2 723	2 723	2 723	2 723	2 723	32 681	40 747	42 851	
Planning and development		2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	24 852	32 474	34 310	
Road transport		634	634	634	634	634	634	634	634	634	634	634	634	7 613	8 048	8 305	
Environmental protection		18	18	18	18	18	18	18	18	18	18	18	18	216	226	236	
<i>Trading services</i>		20 408	20 408	20 408	20 408	20 408	20 408	20 408	20 408	20 408	20 408	20 408	20 408	244 896	254 777	266 748	
Energy sources		12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	12 778	153 334	160 381	167 755	
Water management		2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	2 698	32 371	34 095	35 918	
Waste water management		2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	2 501	30 017	31 398	32 842	
Waste management		2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	2 431	29 173	28 904	30 233	
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
Total Revenue - Functional		33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	33 451	401 407	426 592	447 823	
Expenditure - Functional																	
<i>Governance and administration</i>		12 807	12 807	12 807	12 807	12 807	12 807	12 807	12 807	12 807	12 807	12 807	12 807	153 686	145 451	151 998	
Executive and council		2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	2 986	35 833	27 107	28 170	
Finance and administration		9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 821	9 822	117 853	118 345	123 828
Internal audit		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Community and public safety</i>		3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 179	3 180	38 152	39 016	40 600
Community and social services		1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	1 025	12 301	12 652	13 138
Sport and recreation		1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	1 076	12 917	12 844	13 328
Public safety		1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	1 075	12 899	13 486	14 099
Housing		3	3	3	3	3	3	3	3	3	3	3	3	3	35	35	35
Health		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
<i>Economic and environmental services</i>		5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 162	5 163	61 949	63 470	65 948
Planning and development		451	451	451	451	451	451	451	451	451	451	451	451	452	5 415	5 536	5 789
Road transport		4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	4 239	50 870	52 219	54 226
Environmental protection		472	472	472	472	472	472	472	472	472	472	472	472	472	5 664	5 715	5 932
<i>Trading services</i>		17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 161	17 162	205 931	209 600	220 449
Energy sources		12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	12 604	151 244	151 411	158 850
Water management		1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	18 492	21 397	23 295
Waste water management		950	950	950	950	950	950	950	950	950	950	950	950	950	11 395	11 907	12 362
Waste management		2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	2 067	24 800	24 885	25 942
<i>Other</i>		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Expenditure - Functional		38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 309	38 313	459 718	457 538	478 994
Surplus/(Deficit) before assoc.		(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 852)	(58 311)	(30 946)	(31 171)
Share of surplus/ (deficit) of associate		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit)	1	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 859)	(4 862)	(58 311)	(30 946)	(31 171)

NW392 Naledi (Nw) - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)														Medium Term Revenue and Expenditure Framework		
Description R thousand	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Multi-year expenditure to be appropriated	1													—	—	—
Vote 1 - EXECUTIVE AND COUNCIL														—	—	—
Vote 2 - MUNICIPAL MANAGER														—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES														—	—	—
Vote 4 - FINANCIAL SERVICES														—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 000	6 000
Vote 6 - COMMUNITY DEVELOPMENT SERVICES														—	9 108	4 930
Vote 7 - TECHNICAL SERVICES		1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	1 297	15 562	14 000	21 952
Vote 8 - ECONOMIC DEVELOPMENT														—	—	—
Vote 9 - [NAME OF VOTE 9]														—	—	—
Vote 10 - [NAME OF VOTE 10]														—	—	—
Vote 11 - [NAME OF VOTE 11]														—	—	—
Vote 12 - [NAME OF VOTE 12]														—	—	—
Vote 13 - [NAME OF VOTE 13]														—	—	—
Vote 14 - [NAME OF VOTE 14]														—	—	—
Vote 15 - [NAME OF VOTE 15]														—	—	—
Capital multi-year expenditure sub-total	2	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882
Single-year expenditure to be appropriated														—	—	—
Vote 1 - EXECUTIVE AND COUNCIL														—	—	—
Vote 2 - MUNICIPAL MANAGER														—	—	—
Vote 3 - ADMINISTRATION & CORPORATE SERVICES														—	—	—
Vote 4 - FINANCIAL SERVICES														—	—	—
Vote 5 - COMMUNITY DEVELOPMENT SERVICES														—	—	—
Vote 6 - COMMUNITY DEVELOPMENT SERVICES														—	—	—
Vote 7 - TECHNICAL SERVICES														—	—	—
Vote 8 - ECONOMIC DEVELOPMENT														—	—	—
Vote 9 - [NAME OF VOTE 9]														—	—	—
Vote 10 - [NAME OF VOTE 10]														—	—	—
Vote 11 - [NAME OF VOTE 11]														—	—	—
Vote 12 - [NAME OF VOTE 12]														—	—	—
Vote 13 - [NAME OF VOTE 13]														—	—	—
Vote 14 - [NAME OF VOTE 14]														—	—	—
Vote 15 - [NAME OF VOTE 15]														—	—	—
Capital single-year expenditure sub-total	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Total Capital Expenditure	2	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882

NW392 Naledi (Nw) - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)														Medium Term Revenue and Expenditure Framework			
Description R thousand	Ref	Budget Year 2020/21												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
Capital Expenditure - Functional	1	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
<i>Governance and administration</i>														—	—	—	
Executive and council														—	—	—	
Finance and administration														—	—	—	
Internal audit														—	—	—	
<i>Community and public safety</i>		667	667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 000	6 000
Community and social services		667	667	667	667	667	667	667	667	667	667	667	667	667	8 000	8 000	—
Sport and recreation															—	—	6 000
Public safety														—	—	—	—
Housing														—	—	—	—
Health														—	—	—	—
<i>Economic and environmental services</i>		671	671	671	671	671	671	671	671	671	671	671	671	671	8 048	—	6 952
Planning and development		—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Road transport		671	671	671	671	671	671	671	671	671	671	671	671	671	8 048	—	6 952
Environmental protection														—	—	—	—
<i>Trading services</i>		626	626	626	626	626	626	626	626	626	626	626	626	626	7 514	23 108	19 930
Energy sources		626	626	626	626	626	626	626	626	626	626	626	626	626	7 514	14 000	15 000
Water management														—	—	—	—
Waste water management														—	—	—	—
Waste management														—	9 108	4 930	—
<i>Other</i>														—	—	—	—
Total Capital Expenditure - Functional	2	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882	
Funded by:																	
National Government		1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882	
Provincial Government														—	—	—	—
District Municipality														—	—	—	—
Transfers and subsidies - capital (monetary allocations) (National / Provincial														—	—	—	—
Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public		1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	—	—	—	—
Transfers recognised - capital		1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882	
<i>Borrowing</i>														—	—	—	—
<i>Internally generated funds</i>														—	—	—	—
Total Capital Funding		1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882	

NW392 Naledi (Nw) - Supporting Table SA30 Budgeted monthly cash flow													Medium Term Revenue and Expenditure Framework			
MONTHLY CASH FLOWS R thousand	Budget Year 2020/21												Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	
	July	August	Sept.	October	November	December	January	February	March	April	May	June				
Cash Receipts By Source													1			
Property rates	4 390	4 390	4 390	4 390	4 390	4 390	4 390	4 390	4 390	4 390	4 390	4 390	52 685	55 109	57 644	
Service charges - electricity revenue	9 135	9 135	9 135	9 135	9 135	9 135	9 135	9 135	9 135	9 135	9 135	9 135	109 626	114 664	119 935	
Service charges - water revenue	1 089	1 089	1 089	1 089	1 089	1 089	1 089	1 089	1 089	1 089	1 089	1 089	13 071	13 787	14 547	
Service charges - sanitation revenue	1 030	1 030	1 030	1 030	1 030	1 030	1 030	1 030	1 030	1 030	1 030	1 030	12 356	12 924	13 519	
Service charges - refuse revenue	986	986	986	986	986	986	986	986	986	986	986	986	11 833	12 378	12 947	
Rental of facilities and equipment	157	157	157	157	157	157	157	157	157	157	157	157	157	1 879	1 965	2 055
Interest earned - external investments	29	29	29	29	29	29	29	29	29	29	29	29	29	347	363	380
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	117	117	117	117	117	117	117	117	117	117	117	117	117	1 400	1 500	1 600
Licences and permits	518	518	518	518	518	518	518	518	518	518	518	518	518	6 213	6 548	6 705
Agency services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies - Operational	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	5 174	52 084	64 868	68 981	
Other revenue	167	167	167	167	167	167	167	167	167	167	167	167	2 005	2 099	2 194	
Cash Receipts by Source	22 792	22 792	22 792	22 792	22 792	22 792	22 792	22 792	22 792	22 792	22 792	22 792	227 499	286 204	300 507	
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	13 500						5 600				5 307		-	24 407	32 008	33 823
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)													-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets													-	-	-	-
Short term loans													-	-	-	-
Borrowing long term/refinancing													-	-	-	-
Increase (decrease) in consumer deposits													-	-	-	-
Decrease (increase) in non-current receivables													-	-	-	-
Decrease (increase) in non-current investments													-	-	-	-
Total Cash Receipts by Source	36 292	22 792	22 792	22 792	22 792	22 792	28 392	22 792	22 792	28 099	22 792	22 792	227 906	318 212	334 330	
Cash Payments by Type																
Employee related costs	10 406	10 406	10 406	10 406	10 406	10 406	10 406	10 406	10 406	10 406	10 406	10 406	124 874	128 936	138 547	
Remuneration of councillors	675	675	675	675	675	675	675	675	675	675	675	675	8 101	8 474	8 863	
Finance charges	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	1 207	14 484	14 875	15 894	
Bulk purchases - Electricity	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	5 723	68 672	85 296	142 225	
Bulk purchases - Water & Sewer	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other materials	127	127	127	127	127	127	127	127	127	127	127	127	1 524	1 326	1 369	
Contracted services	1 870	1 870	1 870	1 870	1 870	1 870	1 870	1 870	1 870	1 870	1 870	1 870	22 443	16 439	17 142	
Transfers and grants - other municipalities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfers and grants - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other expenditure	3 787 008,17	3 787	3 787	3 787	3 787	3 787	3 787	3 787	3 787	3 787	3 787	3 787	45 444	67 811	32 993	
Cash Payments by Type	23 795	23 795	23 795	23 795	23 795	23 795	23 795	23 795	23 795	23 795	23 795	23 795	285 542	323 155	357 033	
Other Cash Flows/Payments by Type																
Capital assets	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	1 964	23 562	31 108	32 882	
Repayment of borrowing	300	300	300	300	300	300	300	300	300	300	300	300	3 600	3 600	3 600	
Other Cash Flows/Payments													-	-	-	
Total Cash Payments by Type	26 059	26 059	26 059	26 059	26 059	26 059	26 059	26 059	26 059	26 059	26 059	26 059	312 705	357 863	393 515	
NET INCREASE/(DECREASE) IN CASH HELD	10 233	(3 267)	(3 267)	(3 267)	2 333	(3 267)	2 040	(3 267)	(14 799)	(39 651)	(59 185)					
Cash/cash equivalents at the monthly year begin:	18 066	28 299	25 032	21 764	18 497	15 230	17 563	14 298	11 029	13 069	9 801	6 534	18 086	3 267	(36 384)	
Cash/cash equivalents at the monthly year end:	28 239	28 032	21 764	18 497	15 230	17 563	14 298	11 029	13 069	9 801	6 534	3 267	(36 384)	(35 569)		

2.10 Annual budgets and SDBIPs – internal departments

NW392 Naledi (Nw) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)										
Functional Classification Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue - Functional										
<i>Governance and administration</i>		162 954	100 215	118 634	135 732	135 732	135 732	119 704	126 807	133 821
Executive and council		–	2 289	977	2 450	2 450	2 450	–	–	–
Finance and administration		162 954	97 925	117 657	133 282	133 282	133 282	119 704	126 807	133 821
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		12 054	5 624	3 081	5 986	5 486	5 486	4 126	4 261	4 403
Community and social services		3 600	4 790	3 081	5 918	5 418	5 418	4 064	4 197	4 336
Sport and recreation		217	–	–	68	68	68	62	64	67
Public safety		8 237	834	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		36 581	18 973	24 260	53 429	50 748	50 748	32 681	40 747	42 851
Planning and development		1 803	343	621	44 719	44 719	44 719	24 852	32 474	34 310
Road transport		34 778	18 630	23 639	8 681	6 000	6 000	7 613	8 048	8 305
Environmental protection		–	–	–	28	28	28	216	226	236
<i>Trading services</i>		170 452	181 721	226 828	257 474	237 782	237 782	244 896	254 777	266 748
Energy sources		120 164	135 145	131 372	169 982	150 290	150 290	153 334	160 381	167 755
Water management		15 259	6 423	39 292	27 429	27 429	27 429	32 371	34 095	35 918
Waste water management		17 236	19 649	28 452	29 942	29 942	29 942	30 017	31 398	32 842
Waste management		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	382 041	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823
Expenditure - Functional										
<i>Governance and administration</i>		147 454	128 957	259 514	141 982	137 660	137 660	153 686	145 451	151 998
Executive and council		33 432	26 020	191 881	34 868	41 498	41 498	35 833	27 107	28 170
Finance and administration		114 022	102 937	67 634	107 114	96 162	96 162	117 853	118 345	123 828
Internal audit		–	–	–	–	–	–	–	–	–
<i>Community and public safety</i>		58 244	22 940	(1 933)	30 862	31 033	31 033	38 152	39 016	40 600
Community and social services		14 934	7 076	3 620	9 576	10 161	10 161	12 301	12 652	13 138
Sport and recreation		12 630	6 055	–	9 991	9 495	9 495	12 917	12 844	13 328
Public safety		30 680	9 809	(5 553)	11 201	11 347	11 347	12 899	13 486	14 099
Housing		–	–	–	95	30	30	35	35	35
Health		–	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>		62 780	33 915	13 174	55 610	59 982	59 982	61 949	63 470	65 948
Planning and development		3 776	3 386	1 126	6 018	6 039	6 039	5 415	5 536	5 789
Road transport		59 004	27 473	12 049	44 922	48 419	48 419	50 870	52 219	54 226
Environmental protection		–	3 057	–	4 669	5 523	5 523	5 664	5 715	5 932
<i>Trading services</i>		143 988	175 784	199 096	188 932	190 867	190 867	205 931	209 600	220 449
Energy sources		83 386	120 139	133 553	141 909	139 539	139 539	151 244	151 411	158 850
Water management		20 637	(11 507)	27 349	20 329	22 395	22 395	18 492	21 397	23 295
Waste water management		16 986	11 849	14 366	8 681	8 968	8 968	11 395	11 907	12 362
Waste management		22 979	55 303	23 829	18 013	19 965	19 965	24 800	24 885	25 942
<i>Other</i>	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	412 466	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit) for the year		(30 425)	(55 064)	(97 049)	35 235	10 205	10 205	(58 311)	(30 946)	(31 171)

2.11 Contracts having future budgetary implications

In terms of the Naledi's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

2.12 Capital expenditure details

The following three tables present details of the municipality capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Description	Ref	Current Year 2019/20						2020/21 Medium Term Revenue & Expenditure Framework					
		2016/17		2017/18		2018/19		Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
		Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome	Audited Outcome						
Capital expenditure on new assets by Asset Class/Sub-class													
Infrastructure		10 549	13 944	15 105	28 380	31 551	31 551		7 514	23 108	19 930		
Roads Infrastructure		-	-	14 521	1 420	2 691	2 691		-	-	-		
Roads				14 521	1 420	2 691	2 691		-	-	-		
Road Structures													
Road Furniture													
Capital Spares													
Storm water Infrastructure		-	-	-	-	-	-		-	-	-		
Drainage Collection													
Storm water Conveyance													
Attenuation													
Electrical Infrastructure		3 666	13 944	584	26 960	28 660	28 660		7 514	14 000	15 000		
Power Plants													
HV Substations													
HV Switching Station													
HV Transmission Conductors													
MV Substations													
MV Switching Stations													
MV Networks		3 666	7 822	584	13 748	15 148	15 148		-	4 700	-		
LV Networks			6 122		13 212	13 212	13 212		7 514	9 300	10 000		
Capital Spares													
Water Supply Infrastructure		-	-	-	-	-	-		-	-	-		
Dams and Weirs													
Boreholes													
Reservoirs													
Pump Stations													
Water Treatment Works													
Bulk Mains													
Distribution													
Distribution Points													
PRV Stations													
Capital Spares													
Sanitation Infrastructure		-	-	-	-	-	-		-	-	-		
Pump Station													
Reliculation													
Waste Water Treatment Works													
Outfall Sewers													
Toilet Facilities													
Capital Spares													
Solid Waste Infrastructure		-	-	-	-	-	-		-	9 108	4 930		
Landfill Sites										9 108	4 930		
Waste Transfer Stations													
Waste Processing Facilities													
Waste Drop-off Points													
Waste Separation Facilities													
Electricity Generation Facilities													
Capital Spares													
Rail Infrastructure		-	-	-	-	-	-		-	-	-		
Rail Lines													
Rail Structures													
Rail Furniture													
Drainage Collection													
Storm water Conveyance													
Attenuation													
MV Substations													
LV Networks													
Capital Spares													
Coastal Infrastructure		-	-	-	-	-	-		-	-	-		
Sand Pumps													
Piers													
Revetments													
Promenades													
Capital Spares													
Information and Communication Infrastructure		6 865	-	-	-	-	-		-	-	-		
Data Centres													
Core Layers													
Distribution Layers													
Capital Spares		6 865											
Community Assets		5 294	7 051	11 668	10 740	16 328	16 328	8 000	8 000	6 000			
Community Facilities		5 294	7 051	9 170	10 740	12 079	12 079	8 000	8 000	-			
Halls		5 294	4 828	5 510	6 776	8 115	8 115	8 000	8 000	-			
Centres					3 964	3 964	3 964		-	-			
Crèches													
Clinics/Care Centres													
Fire/Ambulance Stations													
Testing Stations													
Museums													
Galleries													
Theatres													
Libraries													
Cemeteries/Crematoria													
Police													
Parks													
Public Open Space													
Nature Reserves													
Public Abandon Facilities													
Markets													
Stalls													
Abattoirs													
Airports													
Taxi Ranks/Bus Terminals													
Capital Spares													
Sport and Recreation Facilities		-	-	2 496	-	4 249	4 249	-	-	6 000			
Indoor Facilities													
Outdoor Facilities				2 496	-	4 249	4 249	-	-	6 000			
Capital Spares													
Heritage assets		-	-	-	-	-	-	-	-	-	-		
Monuments													
Historic Buildings													
Works of Art													
Conservation Areas													
Other Heritage													
Investment properties		-	-	-	-	-	-	-	-	-	-		
Revenue Generating													
Improved Property													
Unimproved Property													
Non-revenue Generating													
Improved Property													
Unimproved Property													
Other assets		-	-	-	1 214	2 500	2 500	-	-	-	-		

NW392 Naledi (Nw) - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class									
Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22
<u>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</u>									
Infrastructure		-	7 129	-	-	-	-	-	-
Roads Infrastructure		-	7 129	-	-	-	-	-	-
Roads			7 129						
Road Structures									
Road Furniture									
Capital Spares									
Storm water Infrastructure		-	-	-	-	-	-	-	-
Drainage Collection									
Storm water Conveyance									
Attenuation									
Electrical Infrastructure		-	-	-	-	-	-	-	-
Power Plants									
HV Substations									
HV Switching Station									
HV Transmission Conductors									
MV Substations									
MV Switching Stations									
MV Networks									
LV Networks									
Capital Spares									
Water Supply Infrastructure		-	-	-	-	-	-	-	-
Dams and Weirs									
Boreholes									
Reservoirs									
Pump Stations									
Water Treatment Works									
Bulk Mains									
Distribution									
Distribution Points									
PRV Stations									
Capital Spares									
Sanitation Infrastructure		-	-	-	-	-	-	-	-
Pump Station									
Reticulation									
Waste Water Treatment Works									
Outfall Sewers									
Toilet Facilities									
Capital Spares									
Solid Waste Infrastructure		-	-	-	-	-	-	-	-
Landfill Sites									
Waste Transfer Stations									
Waste Processing Facilities									
Waste Drop-off Points									
Waste Separation Facilities									
Electricity Generation Facilities									
Capital Spares									
Rail Infrastructure		-	-	-	-	-	-	-	-
Rail Lines									
Rail Structures									
Rail Furniture									
Drainage Collection									
Storm water Conveyance									
Attenuation									
MV Substations									
LV Networks									
Capital Spares									
Coastal Infrastructure		-	-	-	-	-	-	-	-
Sand Pumps									
Piers									
Revetments									
Promenades									
Capital Spares									
Information and Communication Infrastructure		-	-	-	-	-	-	-	-
Data Centres									
Core Layers									
Distribution Layers									
Capital Spares									
Community Assets		-	350	-	-	-	-	-	-
Community Facilities		-	350	-	-	-	-	-	-
Halls			350						
Centres			350						
Crèches									
Clinics/Care Centres									
First-Aid/Ambulance Stations									
Testing Stations									
Museums									
Galleries									
Theatres									
Libraries									
Cemeteries/Crematoria									
Police									
Parks									
Public Open Space									
Nature Reserves									
Public Aviation Facilities									
Markets									
Stalls									
Abattoirs									
Airports									
Taxi Ranks/Bus Terminals									
Capital Spares									
Sport and Recreation Facilities		-	-	-	-	-	-	-	-
Indoor Facilities									
Outdoor Facilities									
Capital Spares									
Heritage assets		-	-	-	-	-	-	-	-
Monuments									
Historic Buildings									
Works of Art									
Conservation Areas									
Other Heritage									
Investment properties		-	-	-	-	-	-	-	-
Revenue Generating									
Improved Property									
Unimproved Property									
Non-revenue Generating		-	-	-	-	-	-	-	-
Improved Property									
Unimproved Property									

NW392 Naledi (Nw) - Supporting Table SA34c Repairs and maintenance expenditure by asset class											
Description	Ref	2016/17	2017/18	2018/19	Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework				
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year #1 2021/22	Budget Year #2 2022/23		
Repairs and maintenance expenditure by Asset Class/Sub-class											
Infrastructure	1	—	1 142	268	6 710	4 285	4 285	8 090	8 462	8 851	
Roads Infrastructure		—	1 142	—	2 266	1 202	1 202	2 750	2 877	3 009	
Roads			1 142		2 266	1 202	1 202	2 750	2 877	3 009	
Road Structures											
Road Furniture											
Capital Spares											
Storm water Infrastructure		—	—	—	1 714	758	758	1 850	1 935	2 024	
Drainage Collection											
Storm water Conveyance					1 714	758	758	1 850	1 935	2 024	
Attenuation											
Electrical Infrastructure		—	—	164	2 000	2 000	2 000	2 400	2 510	2 626	
Power Plants											
HV Substations											
HV Switching Station											
HV Transmission Conductors											
MV Substations											
MV Switching Stations											
MV Networks											
LV Networks				164	2 000	2 000	2 000	2 400	2 510	2 626	
Capital Spares											
Water Supply Infrastructure		—	—	96	400	100	100	540	565	591	
Dams and Weirs					—	—	—	—	—	—	
Boreholes					22	67	17	17	90	94	98
Reservoirs					58	233	58	58	315	329	345
Pump Stations					—	—	—	—	—	—	
Water Treatment Works					—	—	—	—	—	—	
Bulk Mains					—	—	—	—	—	—	
Distribution					16	100	25	25	135	141	148
Distribution Points						—	—	—	—	—	
PRV Stations						—	—	—	—	—	
Capital Spares						—	—	—	—	—	
Sanitation Infrastructure		—	—	8	260	125	125	450	471	492	
Pump Station				8	56	29	29	105	110	115	
Refloction					56	29	29	105	110	115	
Waste Water Treatment Works					56	29	29	105	110	115	
Outfall Sewers					56	29	29	100	105	109	
Toilet Facilities					19	10	10	35	37	38	
Capital Spares					—	—	—	—	—	—	
Solid Waste Infrastructure		—	—	—	60	60	60	100	105	109	
Landfill Sites					21	21	21	35	37	38	
Waste Transfer Stations					12	12	12	20	21	22	
Waste Processing Facilities					27	27	27	45	47	49	
Waste Drop-off Points											
Waste Separation Facilities											
Electricity Generation Facilities											
Capital Spares											
Rail Infrastructure		—	—	—	—	—	—	—	—	—	
Rail Lines											
Rail Structures											
Rail Furniture											
Drainage Collection											
Storm water Conveyance											
Attenuation											
MV Substations											
LV Networks											
Capital Spares											
Coastal Infrastructure		—	—	—	—	—	—	—	—	—	
Sand Pumps											
Piers											
Revetments											
Promenades											
Capital Spares											
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—	
Data Centres											
Core Layers											
Distribution Layers											
Capital Spares											
Community Assets		—	4	37	80	10	10	20	20	20	
Community Facilities			—	4	—	5	—	—	—	—	
Halls				4							
Centres											
Crèches											
Offices/Care Centres											
Fire/Ambulance Stations											
Testing Stations											
Museums											
Galleries											
Theatres						5					
Libraries											
Cemeteries/Crematoria											
Police											
Parks											
Public Open Space											
Nature Reserves											
Public Abattoir Facilities											
Markets											
Stalls											
Abattoirs											
Airports											
Taxi Ranks/Bus Terminals											
Capital Spares											
Spot and Recreation Facilities		—	—	37	75	10	10	20	20	20	
Indoor Facilities				17	38	5	5	10	10	10	
Outdoor Facilities				20	38	5	5	10	10	10	
Capital Spares											
Heritage assets		—	—	—	—	—	—	—	—	—	
Monuments											
Historic Buildings											
Works of Art											
Conservation Areas											
Other Heritage											
Investment properties		—	—	—	—	—	—	—	—	—	
Revenue Generating											
Improved Property											
Unimproved Property											
Non-revenue Generating		—	—	—	—	—	—	—	—	—	
Improved Property											
Unimproved Property											
Other assets		—	—	23	85	348	348	888	212	216	
Capital P.3.1			—	23	85	348	348	888	212	216	

NW392 Naledi (Nw) - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2015/16		2016/17		2017/18		Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast		Budget Year	Budget Year	Budget Year	Budget Year	Budget Year	
								2019/20	+1 2020/21	+2 2021/22			
R thousand	1												
Repairs and maintenance expenditure by Asset Class/Sub-class													
Infrastructure		4 762	-	1 142	9 010	3 175	3 175	6 710	10 602	16 058			
Roads Infrastructure		2 845	-	1 142	3 900	700	700	2 266	5 210	8 313			
Roads		2 845	-	1 142	3 900	700	700	2 266	5 210	8 313			
Road Structures													
Road Furniture													
Capital Spares													
Storm water Infrastructure		-	-	-	1 100	300	300	1 714	3 907	6 234			
Drainage Collection								-	-	-			
Storm water Conveyance								1 714	3 907	6 234			
Attenuation													
Electrical Infrastructure		1 458	-	-	3 200	1 600	1 600	2 000	1 000	1 000			
Power Plants								-	-	-			
HV Substations								-	-	-			
HV Switching Station								-	-	-			
HV Transmission Conductors								-	-	-			
MV Substations								-	-	-			
MV Switching Stations								-	-	-			
MV Networks								-	-	-			
LV Networks		1 458	-	-	3 200	1 600	1 600	2 000	1 000	1 000			
Capital Spares								-	-	-			
Water Supply Infrastructure		339	-	-	250	270	270	400	422	444			
Dams and Weirs					-	-	-	-	-	-			
Boreholes					42	47	47	67	70	74			
Reservoirs					146	161	161	233	246	259			
Pump Stations					-	-	-	-	-	-			
Water Treatment Works					-	-	-	-	-	-			
Bulk Mains					-	-	-	-	-	-			
Distribution		339			63	63	63	100	105	111			
Distribution Points					-	-	-	-	-	-			
PRV Stations					-	-	-	-	-	-			
Capital Spares					-	-	-	-	-	-			
Sanitation Infrastructure		109	-	-	500	245	245	250	-	-			
Pump Station					115	55	55	58	-	-			
Reticulation					115	50	50	58	-	-			
Waste Water Treatment Works		109			115	55	55	58	-	-			
Outfall Sewers					115	55	55	58	-	-			
Toilet Facilities					38	28	28	19	-	-			
Capital Spares					-	-	-	-	-	-			
Solid Waste Infrastructure		-	-	-	60	60	60	60	63	67			
Landfill Sites					36	36	36	21	22	23			
Waste Transfer Stations					12	12	12	12	13	13			
Waste Processing Facilities					12	12	12	27	28	30			
Waste Drop-off Points								-	-	-			
Waste Separation Facilities								-	-	-			
Electricity Generation Facilities													
Capital Spares													
Rail Infrastructure		-	-	-	-	-	-	-	-	-			
Rail Lines													
Rail Structures													
Rail Furniture													
Drainage Collection													
Storm water Conveyance													
Attenuation													
MV Substations													
LV Networks													
Capital Spares													
Coastal Infrastructure		-	-	-	-	-	-	-	-	-			
Sand Pumps													
Piers													
Revetments													
Promenades													
Capital Spares													
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-			
Data Centres													
Core Layers													
Distribution Layers													
Capital Spares													
Community Assets		164	-	4	80	80	80	80	84	89			
Community Facilities		160	-	4	5	5	5	5	5	6			
Halls		160		4				-	-	-			
Centres								-	-	-			
Crèches								-	-	-			
Clinics/Care Centres								-	-	-			
Fire/Ambulance Stations								-	-	-			
Testing Stations								-	-	-			
Museums								-	-	-			
Galleries								-	-	-			
Theatres								-	-	-			
Libraries								-	-	-			
Cemeteries/Crematoria					5	5	5	5	5	6			
Police								-	-	-			
Parks		0						-	-	-			
Public Open Space								-	-	-			
Nature Reserves								-	-	-			
Public Abattoir Facilities								-	-	-			
Markets								-	-	-			
Stalls								-	-	-			
Abattoirs								-	-	-			
Airports								-	-	-			
Tax Ranks/Bus Terminals								-	-	-			
Capital Spares		0						-	-	-			
Sport and Recreation Facilities		3	-	-	75	75	75	75	79	83			
Indoor Facilities					38	38	38	38	40	42			
Outdoor Facilities		3	-	-	38	38	38	38	40	42			
Capital Spares													
Heritage assets		-	-	-	-	-	-	-	-	-			
Monuments													
Historic Buildings													
Works of Art													
Conservation Areas													
Other Heritage													
Investment properties		-	-	-	-	-	-	-	-	-			
Revenue Generating													
Improved Property													
Unimproved Property													
Non-revenue Generating		-	-	-	-	-	-	-	-	-			
Improved Property													
Unimproved Property													
Other assets		49	2 510	-	65	85	85	85	90	94			

NW392 Naledi (Nw) - Supporting Table SA34d Depreciation by asset class

Description R thousand	Ref	2018/17			2018/18			2018/19			Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23						
		Depreciation by Asset Class/Sub-class														
Infrastructure		23 634	23 283	22 402	12 823	12 823	12 823	12 823	12 823	12 823						
Roads Infrastructure		12 797	12 446	11 566	7 966	7 966	7 966	7 966	7 966	7 966						
Roads		12 797	12 446	11 566	7 966	7 966	7 966	7 966	7 966	7 966						
Road Structures																
Road Furniture																
Capital Spares																
Storm water Infrastructure		—	—	—	—	—	—	—	—	—						
Drainage Collection																
Storm water Conveyance																
Attenuation																
Electrical Infrastructure		10 045	10 045	10 045	4 045	4 045	4 045	4 045	4 045	4 045						
Power Plants																
HV Substations																
HV Switching Station																
HV Transmission Conductors																
MV Substations																
MV Switching Stations																
MV Networks		10 045	10 045	10 045	4 045	4 045	4 045	4 045	4 045	4 045						
LV Networks																
Capital Spares																
Water Supply Infrastructure		—	—	—	—	—	—	—	—	—						
Dams and Weirs																
Boreholes																
Reservoirs																
Pump Stations																
Water Treatment Works																
Bulk Mains																
Distribution																
Distribution Points																
PRV Stations																
Capital Spares																
Sanitation Infrastructure		—	—	—	—	—	—	—	—	—						
Pump Station																
Recirculation																
Waste Water Treatment Works																
Outfall Sewers																
Toilet Facilities																
Capital Spares																
Solid Waste Infrastructure		792	792	792	792	792	792	792	792	792						
Landfill Sites		792	792	792	792	792	792	792	792	792						
Waste Transfer Stations																
Waste Processing Facilities																
Waste Drop-off Points																
Waste Separation Facilities																
Electricity Generation Facilities																
Capital Spares																
Rail Infrastructure		—	—	—	—	—	—	—	—	—						
Rail Lines																
Rail Structures																
Rail Furniture																
Drainage Collection																
Storm water Conveyance																
Attenuation																
MV Substations																
LV Networks																
Capital Spares																
Coastal Infrastructure		—	—	—	—	—	—	—	—	—						
Sand Pumps																
Piers																
Revetments																
Promenades																
Capital Spares																
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—						
Data Centres																
Core Layers																
Distribution Layers																
Capital Spares																
Community Assets		3 589	3 589	3 589	5 165	5 165	5 165	5 165	5 165	5 165						
Community Facilities		1 204	1 204	1 204	3 749	3 749	3 749	3 749	3 749	3 749						
Halls		1 194	1 194	1 194	1 694	1 694	1 694	1 694	1 694	1 694						
Centres					—	—	—	—	—	—						
Crèches					—	—	—	—	—	—						
Clinic/Care Centres					—	—	—	—	—	—						
Fire/Ambulance Stations					—	—	—	—	—	—						
Testing Stations					—	—	—	—	—	—						
Museums					—	—	—	—	—	—						
Galleries					—	—	—	—	—	—						
Theatres					—	—	—	—	—	—						
Libraries					—	—	—	—	—	—						
Cemeteries/Crematoria					287	287	287	287	287	287						
Police					—	—	—	—	—	—						
Parks		11	11	11	—	—	—	—	—	—						
Public Open Space					799	799	799	799	799	799						
Nature Reserves					969	969	969	969	969	969						
Public Abattoir Facilities					—	—	—	—	—	—						
Markets					—	—	—	—	—	—						
Stalls					—	—	—	—	—	—						
Abattoirs					—	—	—	—	—	—						
Airports					—	—	—	—	—	—						
Taxi Ranks/Bus Terminals					—	—	—	—	—	—						
Capital Spares					—	—	—	—	—	—						
Sport and Recreation Facilities		2 365	2 365	2 365	1 416	1 416	1 416	1 416	1 416	1 416						
Indoor Facilities					—	—	—	—	—	—						
Outdoor Facilities					2 365	1 416	1 416	1 416	1 416	1 416						
Capital Spares					—	—	—	—	—	—						
Heritage assets		287	287	287	—	—	—	—	—	—						
Monuments					—	—	—	—	—	—						
Historic Buildings					—	—	—	—	—	—						
Works of Art					—	—	—	—	—	—						
Conservation Areas					—	—	—	—	—	—						
Other Heritage					287	287	287	—	—	—						
Investment properties		—	—	—	—	—	—	—	—	—						
Revenue Generating		—	—	—	—	—	—	—	—	—						
Improved Property		—	—	—	—	—	—	—	—	—						
Unimproved Property		—	—	—	—	—	—	—	—	—						
Non-revenue Generating		—	—	—	—	—	—	—	—	—						
Improved Property		—	—	—	—	—	—	—	—	—						
Unimproved Property		—	—	—	—	—	—	—	—	—						
Other assets		—	—	—	—	2 802	2 802	2 802	2 802	2 802						
Overseas Business		—	—	—	—	2 802	2 802	2 802	2 802	2 802						

NW392 Naledi (Nw) - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2015/16	2016/17	2017/18	Current Year 2018/19			2019/20 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2019/20	Budget Year +1 2020/21	Budget Year +2 2021/22
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure	1	-	-	-	4 500	4 169	4 169	9 354	5 646	-
Roads Infrastructure		-	-	-	4 500	4 169	4 169	9 354	5 646	-
Roads					4 500	4 169	4 169	9 354	5 646	-
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps										
Piers										
Revels										
Promenades										
Capital Spares										
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets		-	-	-	15 458	4 894	4 894	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls										
Centres										
Crèches										
Civics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Aviation Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities		-	-	-	15 458	4 894	4 894	-	-	-
Indoor Facilities					15 458	4 894	4 894			
Outdoor Facilities										
Capital Spares										
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property										
Unimproved Property										

NW392 Naledi (Nw) - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description R thousand	Ref 1	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year #1 2021/22	Budget Year #2 2022/23	
<u>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</u>										
Infrastructure	-	-	-	9 354	-	-	8 048	-	6 952	
Roads Infrastructure	-	-	-	9 354	-	-	8 048	-	6 952	
Roads				9 354	-	-	8 048	-	6 952	
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure	-	-	-	-	-	-	-	-	-	
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure	-	-	-	-	-	-	-	-	-	
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure	-	-	-	-	-	-	-	-	-	
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure	-	-	-	-	-	-	-	-	-	
Pump Station										
Reticulation										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure	-	-	-	-	-	-	-	-	-	
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure	-	-	-	-	-	-	-	-	-	
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure	-	-	-	-	-	-	-	-	-	
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
Community Assets	-	-	472	-	1 205	1 205	-	-	-	
Community Facilities			-	-	-	-	-	-	-	
Halls										
Centres										
Crèches										
Clinics/Care Centres										
Fire/Ambulance Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Abattoir Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Spot and Recreation Facilities	-	-	472	-	1 205	1 205	-	-	-	
Indoor Facilities			-	-	1 205	1 205				
Outdoor Facilities			-	-	1 205	1 205				
Capital Spares										
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating										
Improved Property										
Unimproved Property										
Non-revenue Generating			-	-	-	-	-	-	-	
Improved Property										
Unimproved Property										

NW392 Naledi (Nw) - Supporting Table SA35 Future financial implications of the capital budget							
Vote Description R thousand	Ref	2020/21 Medium Term Revenue & Expenditure Framework			Forecasts		
		Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23	Forecast 2023/24	Forecast 2024/25	Forecast 2025/26
Capital expenditure	1						
Vote 1 - EXECUTIVE AND COUNCIL		–	–	–			
Vote 2 - MUNICIPAL MANAGER		–	–	–			
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		–	–	–			
Vote 4 - FINANCIAL SERVICES		–	–	–			
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		8 000	8 000	6 000			
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		–	9 108	4 930			
Vote 7 - TECHNICAL SERVICES		15 562	14 000	21 952			
Vote 8 - ECONOMIC DEVELOPMENT		–	–	–			
Vote 9 - [NAME OF VOTE 9]		–	–	–			
Vote 10 - [NAME OF VOTE 10]		–	–	–			
Vote 11 - [NAME OF VOTE 11]		–	–	–			
Vote 12 - [NAME OF VOTE 12]		–	–	–			
Vote 13 - [NAME OF VOTE 13]		–	–	–			
Vote 14 - [NAME OF VOTE 14]		–	–	–			
Vote 15 - [NAME OF VOTE 15]		–	–	–			
<i>List entity summary if applicable</i>							
Total Capital Expenditure		23 562	31 108	32 882	–	–	–
Future operational costs by vote	2						
Vote 1 - EXECUTIVE AND COUNCIL		14 789	15 405	16 054			
Vote 2 - MUNICIPAL MANAGER		21 259	11 917	12 330			
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		48 614	49 583	51 673			
Vote 4 - FINANCIAL SERVICES		52 022	51 274	53 875			
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		53 845	55 216	57 490			
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		43 176	44 227	46 166			
Vote 7 - TECHNICAL SERVICES		215 280	213 126	223 486			
Vote 8 - ECONOMIC DEVELOPMENT		2 791	2 791	2 919			
Vote 9 - [NAME OF VOTE 9]							
Vote 10 - [NAME OF VOTE 10]							
Vote 11 - [NAME OF VOTE 11]							
Vote 12 - [NAME OF VOTE 12]							
Vote 13 - [NAME OF VOTE 13]							
Vote 14 - [NAME OF VOTE 14]							
Vote 15 - [NAME OF VOTE 15]							
<i>List entity summary if applicable</i>							
Total future operational costs		451 775	443 538	463 994	–	–	–
Future revenue by source	3						
Property rates		55 458	58 009	60 677			
Service charges - electricity revenue		147 963	154 762	161 878			
Service charges - water revenue		26 512	27 966	29 507			
Service charges - sanitation revenue		25 582	26 758	27 989			
Service charges - refuse revenue		23 321	24 394	25 516			
Rental of facilities and equipment							
Rental of facilities and equipment		1 879	1 965	2 055			
Interest earned - external investments		347	363	380			
Interest earned - outstanding debtors		24 236	25 351	26 517			
Dividends received		–	–	–			
Fines, penalties and forfeits		1 400	1 500	1 600			
Licences and permits		6 213	6 548	6 705			
Agency services		–	–	–			
Transfers and subsidies		62 084	64 868	68 981			
Other revenue		2 005	2 099	2 194			
Gains on disposal of PPE		–	–	–			
Transfers and subsidies - capital (monetary allocation)		24 407	32 008	33 823			
<i>List entity summary if applicable</i>							
Total future revenue		401 407	426 592	447 823	–	–	–
Net Financial Implications		73 930	48 054	49 053	–	–	–

2.13 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was not fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) will progressively improve and includes monthly published financial performance on the municipality website in 2019/20.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Financial Services Department.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee is shared service with Dr Ruth Sekgomotsi Mompati District Municipality and has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval.

2.14 Other supporting documents

NW392 Naledi (Nw) - Table A1 Budget Summary

Description R thousands	2016/17	2017/18	2018/19	Current Year 2019/20				2020/21 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Financial Performance										
Property rates	76 826	46 058	52 531	68 192	68 192	68 192	68 192	55 458	58 009	60 677
Service charges	148 583	145 603	207 428	236 953	217 261	217 261	217 261	223 378	233 881	244 891
Investment revenue	529	329	375	293	293	293	293	347	363	380
Transfers recognised - operational	46 878	45 280	49 038	58 018	58 018	58 018	58 018	62 084	64 868	68 981
Other own revenue	70 773	31 455	46 495	41 262	38 081	38 081	38 081	35 733	37 462	39 070
Total Revenue (excluding capital transfers and contributions)	343 588	268 724	355 867	404 718	381 844	381 844	381 844	377 000	394 584	414 000
Employee costs	162 319	150 531	153 696	173 557	182 255	182 255	182 255	199 874	208 936	218 547
Remuneration of councillors	6 980	8 727	9 420	8 612	8 675	8 675	8 675	8 101	8 474	8 863
Depreciation & asset impairment	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Finance charges	39 597	29 179	9 223	16 091	11 091	11 091	11 091	14 484	14 875	15 894
Materials and bulk purchases	78 815	77 646	106 991	120 427	119 837	119 837	119 837	130 196	136 622	143 594
Transfers and grants	144	20	—	50	50	50	50	50	80	88
Other expenditure	88 722	59 952	155 862	74 279	73 264	73 264	73 264	82 613	64 178	67 639
Total Expenditure	412 470	361 596	469 852	417 386	419 542	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit)	(68 882)	(92 872)	(113 985)	(12 668)	(37 698)	(37 698)	(37 698)	(82 718)	(62 954)	(64 994)
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	58 872	37 809	16 937	43 939	43 939	43 939	43 939	24 407	32 008	33 823
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)	—	—	—	3 964	3 964	3 964	3 964	—	—	—
Surplus/(Deficit) after capital transfers & contributions	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Share of surplus/ (deficit) of associate	—	—	—	—	—	—	—	—	—	—
Surplus/(Deficit) for the year	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	10 205	(58 311)	(30 946)	(31 171)
Capital expenditure & funds sources										
Capital expenditure	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Transfers recognised - capital	13 262	28 474	28 000	47 064	47 194	47 194	47 194	23 562	31 108	32 882
Borrowing	—	—	—	—	—	—	—	—	—	—
Internally generated funds	4 995	—	21	2 635	4 500	4 500	4 500	—	—	—
Total sources of capital funds	18 257	28 474	28 020	49 699	51 694	51 694	51 694	23 562	31 108	32 882
Financial position										
Total current assets	83 185	129 291	135 790	85 651	87 347	87 347	87 347	62 838	65 729	68 752
Total non current assets	1 223 392	1 237 552	1 224 943	838 821	840 816	840 816	840 816	1 251 459	1 258 197	1 266 709
Total current liabilities	491 393	552 739	644 994	519 421	680 534	680 534	680 534	833 438	867 739	903 784
Total non current liabilities	80 150	78 244	76 928	61 442	61 442	61 442	61 442	80 009	83 689	87 539
Community wealth/Equity	735 035	735 860	638 812	327 609	186 188	186 188	186 188	400 851	372 497	344 138
Cash flows										
Net cash from (used) operating	53 331	110 449	34 529	(43 174)	34 074	34 074	34 074	12 364	(4 943)	(22 703)
Net cash from (used) investing	(48 632)	(93 037)	(21 075)	(43 285)	(49 244)	(49 244)	(49 244)	(23 562)	(31 108)	(32 882)
Net cash from (used) financing	(4 654)	(2 430)	(329)	(5 835)	(1 200)	(1 200)	(1 200)	(3 600)	(3 600)	(3 600)
Cash/cash equivalents at the year end	18 628	41 637	54 762	(89 702)	1 696	1 696	1 696	3 267	(36 384)	(95 569)
Cash backing/surplus reconciliation										
Cash and investments available	18 628	41 637	54 762	—	1 696	1 696	1 696	1 772	1 854	1 939
Application of cash and investments	426 034	448 985	567 442	439 645	608 320	608 320	608 320	776 880	812 620	850 015
Balance - surplus (shortfall)	(407 405)	(407 348)	(512 679)	(439 645)	(606 624)	(606 624)	(606 624)	(775 108)	(810 766)	(848 075)
Asset management										
Asset register summary (WDV)	1 223 392	1 209 924	1 226 478	838 821	840 816	840 816	840 816	1 251 459	1 258 197	1 266 709
Depreciation	35 892	35 542	34 661	24 370	24 370	24 370	24 370	24 370	24 370	24 370
Renewal and Upgrading of Existing Assets	—	7 480	472	9 354	1 205	1 205	1 205	8 048	—	6 952
Repairs and Maintenance	2 510	2 056	781	8 133	5 983	5 983	5 983	11 133	10 597	11 061
Free services										
Cost of Free Basic Services provided	—	—	—	16 352	16 352	16 352	16 352	9 975	11 010	11 410
Revenue cost of free services provided	—	—	—	3 997	3 997	3 997	3 997	4 051	4 237	4 432
Households below minimum service level	—	—	—	—	—	—	—	—	—	—
Water:	—	—	—	—	—	—	—	—	—	—
Sanitation/sewerage:	—	—	—	—	—	—	—	—	—	—
Energy:	—	—	—	—	—	—	—	—	—	—
Refuse:	1	1	1	1	1	1	1	1	1	1

NW392 Naledi (Nw) - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)												
Functional Classification Description R thousand	Ref 1	2016/17		2017/18		2018/19		Current Year 2019/20		2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23		
Revenue - Functional												
<i>Governance and administration</i>		162 954	100 215	118 634	135 732	135 732	135 732	119 704	126 807	133 821		
Executive and council		—	2 289	977	2 450	2 450	2 450	—	—	—		
Finance and administration		162 954	97 925	117 657	133 282	133 282	133 282	119 704	126 807	133 821		
Internal audit		—	—	—	—	—	—	—	—	—		
<i>Community and public safety</i>		12 054	5 624	3 081	5 986	5 486	5 486	4 126	4 261	4 403		
Community and social services		3 600	4 790	3 081	5 918	5 418	5 418	4 064	4 197	4 336		
Sport and recreation		217	—	—	68	68	68	62	64	67		
Public safety		8 237	834	—	—	—	—	—	—	—		
Housing		—	—	—	—	—	—	—	—	—		
Health		—	—	—	—	—	—	—	—	—		
<i>Economic and environmental services</i>		36 581	18 973	24 260	53 429	50 748	50 748	32 681	40 747	42 851		
Planning and development		1 803	343	621	44 719	44 719	44 719	24 852	32 474	34 310		
Road transport		34 778	18 630	23 639	8 681	6 000	6 000	7 613	8 048	8 305		
Environmental protection		—	—	—	28	28	28	216	226	236		
<i>Trading services</i>		170 452	181 721	226 828	257 474	237 782	237 782	244 896	254 777	266 748		
Energy sources		120 164	135 145	131 372	169 982	150 290	150 290	153 334	160 381	167 755		
Water management		15 259	6 423	39 292	27 429	27 429	27 429	32 371	34 095	35 918		
Waste water management		17 236	19 649	28 452	29 942	29 942	29 942	30 017	31 398	32 842		
Waste management		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233		
<i>Other</i>	4	—	—	—	—	—	—	—	—	—		
Total Revenue - Functional	2	382 041	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823		
Expenditure - Functional												
<i>Governance and administration</i>		147 454	128 957	259 514	141 982	137 660	137 660	153 686	145 451	151 998		
Executive and council		33 432	26 020	191 881	34 868	41 498	41 498	35 833	27 107	28 170		
Finance and administration		114 022	102 937	67 634	107 114	96 162	96 162	117 853	118 345	123 828		
Internal audit		—	—	—	—	—	—	—	—	—		
<i>Community and public safety</i>		58 244	22 940	(1 933)	30 862	31 033	31 033	38 152	39 016	40 600		
Community and social services		14 934	7 076	3 620	9 576	10 161	10 161	12 301	12 652	13 138		
Sport and recreation		12 630	6 055	—	9 991	9 495	9 495	12 917	12 844	13 328		
Public safety		30 680	9 809	(5 553)	11 201	11 347	11 347	12 899	13 486	14 099		
Housing		—	—	—	95	30	30	35	35	35		
Health		—	—	—	—	—	—	—	—	—		
<i>Economic and environmental services</i>		62 780	33 915	13 174	55 610	59 982	59 982	61 949	63 470	65 948		
Planning and development		3 776	3 386	1 126	6 018	6 039	6 039	5 415	5 536	5 789		
Road transport		59 004	27 473	12 049	44 922	48 419	48 419	50 870	52 219	54 226		
Environmental protection		—	3 057	—	4 669	5 523	5 523	5 664	5 715	5 932		
<i>Trading services</i>		143 988	175 784	199 096	188 932	190 867	190 867	205 931	209 600	220 449		
Energy sources		83 386	120 139	133 553	141 909	139 539	139 539	151 244	151 411	158 850		
Water management		20 637	(11 507)	27 349	20 329	22 395	22 395	18 492	21 397	23 295		
Waste water management		16 986	11 849	14 366	8 681	8 968	8 968	11 395	11 907	12 362		
Waste management		22 979	55 303	23 829	18 013	19 965	19 965	24 800	24 885	25 942		
<i>Other</i>	4	—	—	—	—	—	—	—	—	—		
Total Expenditure - Functional	3	412 466	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994		
Surplus/(Deficit) for the year		(30 425)	(55 064)	(97 049)	35 235	10 205	10 205	(58 311)	(30 946)	(31 171)		

NW392 Naledi (Nw) - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)										
Vote Description R thousand	Ref	2016/17	2017/18	2018/19	Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23
Revenue by Vote	1									
Vote 1 - EXECUTIVE AND COUNCIL		–	2 289	977	2 450	2 450	2 450	–	–	–
Vote 2 - MUNICIPAL MANAGER		–	–	–	–	–	–	–	–	–
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		5 473	1 909	–	510	510	510	503	530	559
Vote 4 - FINANCIAL SERVICES		157 480	96 016	117 657	132 772	132 772	132 772	119 201	126 276	133 262
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		32 474	5 624	3 081	14 695	11 514	11 514	11 955	12 534	12 944
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		17 793	20 504	27 712	30 121	30 121	30 121	29 173	28 904	30 233
Vote 7 - TECHNICAL SERVICES		189 240	180 190	223 377	272 073	252 380	252 380	240 575	258 347	270 825
Vote 8 - ECONOMIC DEVELOPMENT		–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	402 460	306 533	372 803	452 621	429 747	429 747	401 407	426 592	447 823
Expenditure by Vote to be appropriated	1									
Vote 1 - EXECUTIVE AND COUNCIL		33 432	26 020	191 881	15 338	15 246	15 246	14 789	15 405	16 054
Vote 2 - MUNICIPAL MANAGER		–	3 057	–	19 715	26 527	26 527	21 259	11 917	12 330
Vote 3 - ADMINISTRATION & CORPORATE SERVICES		33 218	40 564	33 935	36 783	35 748	35 748	48 614	49 583	51 673
Vote 4 - FINANCIAL SERVICES		80 804	62 373	33 698	48 980	43 152	43 152	52 022	51 274	53 875
Vote 5 - COMMUNITY DEVELOPMENT SERVICES		58 248	22 940	(1 933)	56 263	57 662	57 662	66 744	68 701	71 589
Vote 6 - COMMUNITY DEVELOPMENT SERVICES		22 979	55 303	23 829	29 650	29 901	29 901	30 705	30 741	32 066
Vote 7 - TECHNICAL SERVICES		183 790	151 339	188 442	208 121	207 668	207 668	222 794	227 126	238 486
Vote 8 - ECONOMIC DEVELOPMENT		–	–	–	2 536	3 638	3 638	2 791	2 791	2 919
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	412 470	361 596	469 852	417 386	419 542	419 542	459 718	457 538	478 994
Surplus/(Deficit) for the year	2	(10 009)	(55 064)	(97 049)	35 235	10 205	10 205	(58 311)	(30 946)	(31 171)

NW392 Naledi (Nw) - Table A9 Asset Management

Description	Ref	2016/17			2017/18			2018/19			Current Year 2019/20			2020/21 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2020/21	Budget Year +1 2021/22	Budget Year +2 2022/23							
		R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand	R thousand						
CAPITAL EXPENDITURE																	
Total New Assets	1	18 257	20 995	27 548	40 345	50 488	50 488	15 514	31 108	25 930							
Roads Infrastructure		-	-	14 521	1 420	2 691	2 691	-	-	-							
Storm water Infrastructure		-	-	-	-	-	-	-	-	-							
Electrical Infrastructure		3 685	13 944	584	26 960	28 860	28 660	7 514	14 000	15 000							
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-							
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-							
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-							
Rail Infrastructure		-	-	-	-	-	-	-	-	-							
Coastal Infrastructure		-	-	-	-	-	-	-	-	-							
Information and Communication Infrastructure		6 665	-	-	-	-	-	-	-	-							
Infrastructure		10 549	13 344	15 165	28 380	31 551	31 551	7 514	23 108	19 930							
Community Facilities		5 294	7 051	9 170	10 740	12 079	12 079	8 000	8 000	-							
Sport and Recreation Facilities		-	2 456	-	-	4 249	4 249	-	-	6 000							
Community Assets		5 294	7 051	11 666	10 740	16 328	16 328	8 000	8 000	6 000							
Heritage Assets		-	-	-	-	-	-	-	-	-							
Revenue Generating		-	-	-	-	-	-	-	-	-							
Non-revenue Generating		-	-	-	-	-	-	-	-	-							
Investment properties		-	-	-	-	-	-	-	-	-							
Operational Buildings		-	-	-	-	1 214	2 500	2 500	-	-							
Housing		-	-	-	-	-	-	-	-	-							
Other Assets		-	-	-	-	1 214	2 500	2 500	-	-							
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-							
Services		-	-	-	-	-	-	-	-	-							
Licences and Rights		-	-	-	-	-	-	-	-	-							
Intangible Assets		-	-	-	-	-	-	-	-	-							
Computer Equipment		83	-	-	-	777	-	50	50	-							
Furniture and Office Equipment		47	-	-	-	10	60	60	60	-							
Machinery and Equipment		2 283	-	-	-	-	-	-	-	-							
Transport Assets		-	-	-	-	-	-	-	-	-							
Land		-	-	-	-	-	-	-	-	-							
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-							
Total Renewal of Existing Assets	2	-	-	7 480	-	-	-	-	-	-							
Roads Infrastructure		-	7 129	-	-	-	-	-	-	-							
Storm water Infrastructure		-	350	-	-	-	-	-	-	-							
Electrical Infrastructure		-	-	-	-	-	-	-	-	-							
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-							
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-							
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-							
Rail Infrastructure		-	-	-	-	-	-	-	-	-							
Coastal Infrastructure		-	-	-	-	-	-	-	-	-							
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-							
Infrastructure		-	7 129	-	-	-	-	-	-	-							
Community Facilities		-	350	-	-	-	-	-	-	-							
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-							
Community Assets		-	350	-	-	-	-	-	-	-							
Heritage Assets		-	-	-	-	-	-	-	-	-							
Revenue Generating		-	-	-	-	-	-	-	-	-							
Non-revenue Generating		-	-	-	-	-	-	-	-	-							
Investment properties		-	-	-	-	-	-	-	-	-							
Operational Buildings		-	-	-	-	-	-	-	-	-							
Housing		-	-	-	-	-	-	-	-	-							
Other Assets		-	-	-	-	-	-	-	-	-							
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-							
Services		-	-	-	-	-	-	-	-	-							
Licences and Rights		-	-	-	-	-	-	-	-	-							
Intangible Assets		-	-	-	-	-	-	-	-	-							
Computer Equipment		-	-	-	-	-	-	-	-	-							
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-							
Machinery and Equipment		-	-	-	-	-	-	-	-	-							
Transport Assets		-	-	-	-	-	-	-	-	-							
Land		-	-	-	-	-	-	-	-	-							
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-							
Total Upgrading of Existing Assets	6	-	-	472	9 354	1 205	1 205	8 048	-	6 952							
Roads Infrastructure		-	-	-	9 354	-	-	-	8 048	-	6 952						
Storm water Infrastructure		-	-	-	9 354	-	-	8 048	-	6 952							
Electrical Infrastructure		-	-	-	-	-	-	-	-	-							
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-							
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-							
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-							
Rail Infrastructure		-	-	-	-	-	-	-	-	-							
Coastal Infrastructure		-	-	-	-	-	-	-	-	-							
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-							
Infrastructure		-	9 354	-	-	-	-	8 048	-	6 952							
Community Facilities		-	350	-	-	-	-	-	-	-							
Sport and Recreation Facilities		-	472	-	1 205	1 205	1 205	-	-	-							
Community Assets		-	350	-	472	-	1 205	1 205	-	-							
Heritage Assets		-	-	-	-	-	-	-	-	-							
Revenue Generating		-	-	-	-	-	-	-	-	-							
Non-revenue Generating		-	-	-	-	-	-	-	-	-							
Investment properties		-	-	-	-	-	-	-	-	-							
Operational Buildings		-	-	-	-	-	-	-	-	-							
Housing		-	-	-	-	-	-	-	-	-							
Other Assets		-	-	-	-	-	-	-	-	-							
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-							
Services		-	-	-	-	-	-	-	-	-							
Licences and Rights		-	-	-	-	-	-	-	-	-							
Intangible Assets		-	-	-	-	-	-	-	-	-							
Computer Equipment		-	-	-	-	-	-	-	-	-							
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-							
Machinery and Equipment		-	-	-	-	-	-	-	-	-							
Transport Assets		-	-	-	-	-	-	-	-	-							
Land		-	-	-	-	-	-	-	-	-							
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-							
Total Capital Expenditure	4	18 257	28 474	28 020	49 693	51 694	51 694	23 582	31 108	32 882							
Roads Infrastructure		-	7 129	14 521	10 774	2 691	2 691	8 048	-	6 952							
Storm water Infrastructure		-	-	-	-	-	-	-	-	-							
Electrical Infrastructure		3 685	13 944	584	26 960	28 860	28 660	7 514	14 000	15 000							
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-							
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-							
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-							
Rail Infrastructure		-	-	-	-	-	-	-	-	-							
Coastal Infrastructure		-	-	-	-	-	-	-	-	-							
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-							
Infrastructure		-	6 665	-	-	-	-	-	-	-							
Community Facilities		-	777	-	50	50	50	-	-	-							
Sport and Recreation Facilities		-	47	-	10	60	60	60	-	-							
Community Assets		-	5 294	7 051													

NW392 Naledi (Nw) - Table A9 Asset Management

Municipal Manager's Quality Certificate

NALEDI LOCAL MUNICIPALITY



MUNICIPAL MANAGER'S QUALITY CERTIFICATE

I **Makgahlela ME**, Acting Municipal Manager of **Naledi Local Municipality**, hereby certify that this Operating and Capital Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the 2020/2021 Operating And Capital Budget and the MTREF and supporting documents are consistent with the Integrated Development Plan of the Municipality.

Print Name: Makgahlela ME

Acting Municipal Manager of Naledi Local Municipality

Signature:

Date: 19 MAY 2020

